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THE WALL STREET JOURNAL.

DOW JONES | News Corp ***** MONDAY, OCTOBER 19, 2020 ~ VOL. CCLXXVI NO. 93 WSJ.com ★★★★★ \$4.00

Last week: DJIA 28606.31 ▲ 19.41 0.1% NASDAQ 11671.56 ▲ 0.8% STOXX 600 367.48 ▼ 0.8% 10-YR. TREASURY ▲ 10/32, yield 0.743% OIL \$40.88 ▲ \$0.28 EURO \$1.1718 YEN 105.40

What's News

Business & Finance

China's economy grew 4.9% in the third quarter, slower than expected but underscoring the robustness of its recovery as its growth rate approaches that of last year. **A1**

◆ **Signs of pressure** on New York City's commercial properties are fueling investor bets that trouble in the U.S.'s largest real-estate market could spread. **A1**

◆ **FedEx and UPS** have told some of their largest shippers that most of their capacity is already spoken for and warned of delays during the holiday season. **A1**

◆ **The coronavirus** pandemic has plunged U.S. day cares into a financial crisis after enrollment slumped in the spring and never fully recovered. **A1**

◆ **The average credit score** hit a record in July after millions of Americans had lost their jobs in the coronavirus downturn, scrambling lenders' underwriting models. **B1**

◆ **Technology companies** are set to end the year with their greatest share of the stock market ever, exceeding a dot-com era peak. **B1**

◆ **American Equity** rejected a takeover offer and instead said it had reached a partnership with Brookfield Asset Management. **B3**

World-Wide

◆ **Chinese government** officials are warning their American counterparts they may detain U.S. nationals in China in response to the Justice Department's prosecution of Chinese military-affiliated scholars. **A7**

◆ **Pelosi told** the White House it had until Tuesday to reach a deal with Democrats, or legislation to provide additional coronavirus relief couldn't be passed before the election. **A3**

◆ **Trump returned** to a schedule packed with campaign rallies and hit out at rivals in his final push to close a polling gap with Biden in battleground states. **A4**

◆ **A top White House** official recently traveled to Damascus for secret meetings with the Assad regime, marking the first time such a high-level U.S. official has met in Syria with the government in more than a decade. **A9**

◆ **Israel** and the Australian state of Victoria said they would begin to ease some of the world's most stringent coronavirus lockdowns. **A8**

◆ **Scientists** are pushing back on renewed calls for a herd-immunity approach to Covid-19, calling it dangerous and unsupported by scientific evidence. **A6**

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Wealth Management: The pandemic upends college applications. **R1-12**

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Beheading of Teacher in France Spurs Rallies for Free Speech



PROTESTS IN MOURNING: Thousands gathered in Paris and other cities across France on Sunday following the beheading of a history teacher after he held a class discussing caricatures of the Muslim Prophet Muhammad. **A7**

Stress on New York Property Worries Mortgage Investors

By JULIA-AMBRA VERLAINE AND SEBASTIAN PELLEJERO

Signs of pressure on New York City's commercial properties are fueling investor bets that trouble in the nation's largest real-estate market could spread pain nationwide.

Although stock markets are near records, assets whose fortunes are more directly tied to

New York's status as a heart of tourism and culture are showing acute sensitivity to the pandemic's disruptions. Prices for debt backed by hotels and shops have fallen, new loans have slowed and lenders are more cautious, leaving bankers and the real-estate industry bracing for a hard hit.

Investors watch New York closely because Wall Street

slices such loans up, packages them together into bonds and sells them to pension funds and asset managers world-wide. Collapsing prices for loans backed by top-tier properties in the Big Apple, which many consider a bellwether for urban markets nationwide, signal there may be more trouble ahead for the more-than half-trillion-dollar market for com-

mercial mortgage-backed securities.

New York's size and the diversity of its businesses tend to highlight market trends, and the pandemic dealt the city a severe and relatively early blow. The shutdown for months emptied offices and restaurants, closing theaters and shops that attract visitors from

China's Economy Registers Growth Of 4.9%

Result falls short of expectations but indicates robust recovery is on track

By JONATHAN CHENG

BEIJING—Chinese officials said Monday that gross domestic product expanded by 4.9% in the third quarter from a year ago, putting China's economy back toward its precoronavirus trajectory half a year after the pandemic gutted China's economy.

The growth figure fell short of market expectations but brings China's economy closer in line with forecasts made at the beginning of the year for 2020 growth of between 5.5% and 6%—forecasts made before the pandemic swept across the globe, killing more than a million people and crushing the global economy.

The third-quarter expansion builds on the second quarter's 3.2% growth, which follows a contraction of 6.8% in the first three months of the year, when authorities locked down the central Chinese city of Wuhan to limit the fast-spreading virus.

The International Monetary Fund is already projecting China's economy to expand by 1.9%, putting it on track to be

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◆ **China warns it may arrest Americans**..... A7

Holiday Delivery Faces Big Problems

By PAUL ZIOBRO

One holiday item is already sold out: shipping capacity.

Both FedEx Corp. and United Parcel Service Inc. have told some of their largest shippers that most of their capacity is already spoken for, and that any extra trailers with holiday orders will have to wait to be picked up, according to shipping consultants and retailers. That could mean consumers will wait longer for deliveries during the holiday season, as delivery companies work through backlogs in a race to get packages to doors before Christmas.

"There will be days within the holiday season where the industry will be over capacity," FedEx Chief Marketing Officer Brie Carere said in an interview.

The outlook has sent retailers on the hunt for alternatives, with little luck. Smaller carriers in the U.S. like LaserShip Inc. and DHL eCommerce Solutions, said they booked up their capacity for the holidays months earlier than usual and aren't taking new customers until next year.

The final safety valve is the U.S. Postal Service, whose finances and network have been stretched during the coronavirus pandemic and could come under more pressure if shippers dump their overflow orders into the agency's network.

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◆ **Outlook: Holidays test consumers' rebound**..... A2



PERSONAL JOURNAL
A look at what's good and bad with working remotely months into the pandemic. **A12**

BUSINESS & FINANCE
Government aid and breaks from lenders boost consumers' credit scores. **B1**

On Wrong Side of Recovery, A Fight for Survival

How four people in Cincinnati are adapting to economic fallout

By JUSTIN BAER AND ERIC MORATH

CINCINNATI—In the seven months after the coronavirus and shutdown tore through this city, Crayona McBerry lost half her income, then got it back; got sick, then recovered; risked eviction, then made her rent.

Though she is still on her feet, it isn't relief she feels so much as anxiety. The 44-year-old single mother is working seven days a week as a cleaner, behind on some of her bills and alert to what the virus might deal next. "I worry every day," she says.

The U.S. economy has been growing since its brutal spring implosion, suggesting the recession might be over, or soon will be. But it hardly feels that way to Ms. McBerry, or to a

Cincinnati entrepreneur whose coffee shop is still missing many of its customers, to a young woman who lost her dream job at General Electric Co. or to a comedian who went seven months without a paying gig.

Millions of Americans are on the downside of a recovery that is increasingly split, with some parts of the economy roaring while other sectors languish. Cincinnati mirrors the national picture: Its experience shows how economic shock waves continue to reverberate through people's lives even as the worst effects of the springtime crash recede. Of 22 million jobs lost nationwide, half have been restored.

The city's stories also reveal adaptation and resilience. Ms. McBerry has improvised on child care, the GE worker has found a new job,

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Real Election Nail-Biter Is if Vigo County Will Keep Its Streak

Indiana community has favored every presidential winner since 1956

By JOHN MCCORMICK

TERRE HAUTE, Ind.—If America's nerves are on edge because of the presidential election, imagine the pressure of living in Vigo County.

The western Indiana county has backed the eventual White House winner in all 16 elections since 1956.

While the county isn't likely to affect the Electoral College math that picks the president, its record weighs on some

Vigo voters' minds.

Former Vice President Joe Biden's backers joke that he must win Vigo (pronounced VEE-go) because failure might jinx his outcome nationally.

Those wanting President Trump re-elected worry that not carrying the county might be a bad omen.

Democrat Clynton Christie, 33, an ultrasound technician, says Vigo's reputation makes him nervous when he sees

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Child-Care Centers Teeter on the Brink

By CHRISTINA REXRODE

The coronavirus pandemic has plunged U.S. day cares into a financial crisis.

Child-care centers across the country, whether big chains, tiny in-home operations or nonprofits, are struggling. Enrollment slumped in the spring and never fully recovered. Extra expenses, like protective gear and deep cleaning, are piling up. By some estimates, some 40% of U.S. day cares are closed. Many of those still open have half the number of children they did in February, or fewer.

Lawmakers and economists are warning that many child-care providers will fail without government help. If that happens, parents who struggled to find a day-care slot before the pandemic would have to compete for even fewer spaces when it is over. And if parents can't work, the economy can't flourish.

"If the virus magically disappeared, could we go back to where we were in January? We couldn't if there's no child care," said Elizabeth Davis, an

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◆ **Pelosi sets deadline on virus-relief deal**..... A3

VISIT...

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U.S. NEWS

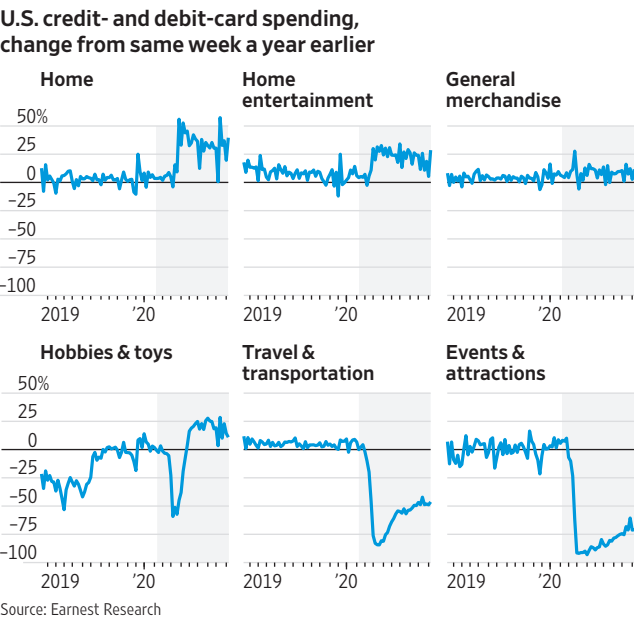
THE OUTLOOK | By Harriet Torry

Holidays Test Consumers' Rebound



The coronavirus pandemic is creating novel hurdles for Americans' spending this holiday season, posing potential challenges for an economy that leans heavily on their willingness to consume. Households face the prospect of Halloween without trick or treaters, Thanksgiving without family travels, Black Friday without crowds, and a December without parties and in-person gift-giving. Congressional deadlock over fresh fiscal aid for the millions unemployed and a contentious presidential election campaign are also potential dampers on this year's cheer.

Holiday sales—usually spanning November and December—represent roughly 20% of annual U.S. retail sales each year, according to the National Retail Federation. And retail spending accounts for about 25% of consumer spending in a typical year. A number of economists are predicting little growth or none whatsoever this year. RSM U.S. chief economist Joe Brusuelas expects retail sales to increase 0.5% this holiday season—partly because Congress hasn't passed a new stimulus package. Sucharita Kodali, a retail-industry analyst at Forrester



Research Inc., expects retail spending this holiday season to be flat. Though she predicts online sales will grow 20% to 25%, the sharp decrease in foot traffic at bricks-and-mortar stores is expected to keep overall spending in check this November and December. This year's outlook is so unpredictable that some forecasters aren't even making predictions. The National Retail Federation has delayed the release of its holiday forecast for the first time in decades, citing a lack of clear economic indicators and other variables, including the presidential election and a possible

resurgence of Covid-19. The NRF said holiday sales—which exclude purchases at automobile dealers, gasoline stations and restaurants—rose 4.1% in 2019 over the previous year, after increasing 2.1% in 2018. Still, some economists see reasons for optimism. Households, particularly the middle-income and affluent, have paid down debt and boosted their savings, giving them a financial cushion. Deposits at commercial banks jumped to a seasonally adjusted \$15.72 trillion in September from \$13.39 trillion in February, according to the Federal Reserve.

“That’s money that people were earning and not spending on dining and travel,” said Calvin Schnure, senior economist at Nareit, a trade group that represents real-estate investment trusts. “We’ve never seen this kind of increase in a recession—usually household finances weaken; this is really different and shows there’s a lot of spending power in the economy,” he said. Mr. Schnure expects 5% year-over-year growth in retail sales this holiday season based on the fact that consumers are saving by “having dinner at home instead of going to restaurants and watching Netflix instead of going to the movies once a week.” James Bohnaker, an economist at forecasting firm IHS Markit, is also predicting 5% year-over-year growth in holiday retail sales, and he is expecting some kind of further fiscal stimulus to come before the end of the year that will help prompt holiday gift-giving. Retailers are pushing an earlier start to the holiday season, both to limit crowds at stores and to ease pressure on supply chains by avoiding preholiday-order bottlenecks. Spending on goods has been a bright spot for the economy recently, as consumers prepared for further months of working and studying from home by spending on vehicles, home improvement and sporting goods. Retail

sales, a measure of purchases at stores, restaurants and online, rose a seasonally adjusted 1.9% in September from the previous month, the Commerce Department said Friday. Online shopping has boomed during the coronavirus pandemic, and analysts expect the trend to continue during the holiday season, even as the large volume potentially strains the capacity of some large shippers. Retail sales at nonstore retailers, a category that includes online merchants like Amazon.com Inc., were up 23.8% from a year earlier in September, according to the Commerce Department—the strongest year-over-year growth in any major category it tracks. Christmas Decor, a decorating franchise in Irving, Texas, expects a strong holiday season, as people working from home are saving money and want to brighten their houses, said President Brandon Stephens. “A lot of people are focusing on the home, family, looking for something that makes them feel hopeful,” he said. In the long term, economists say, consumers can only keep spending if they are earning. This means the postholiday outlook will depend on job growth, which slowed sharply in recent months as more layoffs turned permanent.

ECONOMIC CALENDAR

Tuesday: U.S. housing starts are likely to have resumed their upward trajectory in September after an unexpected decline in August. The housing market has been an economic bright spot as the country tries to recover from spring coronavirus lockdowns, helping support consumer spending and construction employment.

Thursday: U.S. jobless claims have held at stubbornly high levels in recent weeks, underscoring continued layoffs and economic dislocation, even as the labor market heals from spring lockdowns. Figures for the week ended Oct. 17 are expected to show a small decline in applications for unemployment benefits from a week earlier—but still leave them well above the pre-pandemic record of 695,000.

U.S. existing-home sales are expected to show a rise for September for a fourth straight month, fueled by demand for more space and by rock-bottom mortgage rates. The housing market has been one of the U.S. economy's hottest sectors in recent months, pushing prices to new highs and sales to their fastest pace since 2006.

Friday: Surveys of purchasing managers are expected to indicate that the eurozone's economic recovery stalled in October as governments imposed fresh restrictions to contain a resurgence in new coronavirus infections. Similar surveys are expected to indicate that the U.S. economy is continuing to grow, albeit at a slower pace.

U.S. WATCH

SPACE
NASA Tries to Collect Samples of Asteroid

After almost two years circling an ancient asteroid hundreds of millions of miles away, a NASA spacecraft this week will attempt to descend to the treacherous, boulder-packed surface and snatch a handful of rubble. The drama unfolds Tuesday as the U.S. takes its first crack at collecting asteroid samples for return to Earth, a feat accomplished so far only by Japan. The Osiris-Rex mission is looking to bring back at least 2 ounces of the asteroid Bennu, the biggest otherworldly haul from beyond the moon. While NASA has brought back comet dust and solar wind particles, it has never attempted to sample one of the nearly one million known asteroids in our solar system until now. The big, black, roundish, carbon-rich space rock—taller than New York's Empire State Building—was around when our solar system was forming 4.5 billion

years ago. Scientists consider it a time capsule full of pristine building blocks that could help explain how life formed on Earth and possibly elsewhere. “This is all about understanding our origins,” said the mission's principal scientist, Dante Lauretta of the University of Arizona. —Associated Press

PHILADELPHIA
At Least Five Killed In Weekend Violence

At least four people were shot to death and another was stabbed to death in Philadelphia as others were wounded, some critically, during another violent weekend in the city. Philadelphia officials earlier this month expressed alarm at surging gun violence that had already caused more homicides than were recorded in all of last year, which was already the highest homicide total in more than a decade. A 21-year-old man was shot to death early Sunday in a northwest Philadelphia home less than a mile from where another 21-



ON TRACK: Runners donned masks and observed other safety measures Sunday at a 5K in New York City.

year-old was slain hours earlier, police said. Another man was found stabbed to death Sunday morning in a vacant lot in south Philadelphia. Near Temple University, a 40-year-old man was critically wounded.

Police said a man shot multiple times in north Philadelphia was pronounced dead at 9:30 p.m. Saturday, while another man shot multiple times was listed in critical condition. Another north Philadelphia shooting critically

wounded a 38-year-old man. On Friday night, a 35-year-old man was shot and killed in north Philadelphia, and several other people were wounded by gunfire elsewhere. —Associated Press

MIDWEST
Wind-Storm Damage Pegged at \$7.5 Billion

Damage estimates from a rare wind storm that slammed Iowa and some other parts of the Midwest in August are growing, with the total now at \$7.5 billion, according to a new report. The Aug. 10 storm hit Iowa hard but also caused damage in Illinois, Ohio, Minnesota and Indiana. The National Oceanic and Atmospheric Administration said it is currently the second-costliest U.S. disaster in 2020, although cost estimates for widespread wildfires along the West Coast aren't yet available. The storm, known as a derecho, generated winds of up to 140 miles an hour that flattened millions of acres of crops. The derecho also knocked out power to half a million Iowa residents and damaged homes, trees and power lines. Four people died. The most expensive disaster this year was Hurricane Laura, which caused \$14 billion in damage. —Associated Press

Property Worries Investors

Continued from Page One around the world. Now, investors are tracking its reopening, attempting to gauge what businesses rebound and how quickly. Nationwide, signs of stress are mounting. Prices on lower-rated commercial mortgage bonds nationwide have fallen in recent weeks. The extra yield, or spread, investors demand to hold an index of double-B-rated CMBS bonds over 10-year U.S. Treasuries climbed to nearly 20 percentage points as of Thursday, according to data firm Trepp, to their widest levels since the financial crisis. Some bonds have fallen to anywhere from 70 cents to 50 cents on the dollar depending on the industry and credit rating, bankers said. The pandemic has emptied commercial real estate across the country as people stay home, shop online and avoid offices. Many hotels and retail stores have seen a significant drop-off in occupancy, hitting revenue and property values. Appraisals this year on more than 100 struggling buildings with commercial mortgage debt showed property values fell 27% on average, according to a Wells Fargo report. The uncertainty around how a recovery will play out, espe-



The midtown skyscraper is more than 90% leased, a rare success.

cially in big cities, has led some investors to bet on further declines. “Distress in financial markets was all about residential mortgage-backed securities in 2008 and energy in 2015,” said Daniel McNamara, a principal at MP Securitized Credit Partners who is betting prices for some CMBS indexes will fall. “In 2021 it will be all about commercial real estate and the securities linked to it.” Other investors are expecting a more scattershot blow. In one sign of their preferences, a subsidiary of Brookfield Asset Management in September successfully placed a \$1.8 billion loan tied to One Manhattan West into commercial mortgage-backed securities. Completed in 2019, the midtown skyscraper is more than 90% leased out with big-name tenants that include consulting firm Accenture PLC and the National Hockey League.

In New York, commercial real estate has seemed like a sure bet during a multidecade run-up in real-estate prices and development boom that sprouted towers across the five boroughs. Now, hotels, restaurants and shops that rely on travelers are acutely suffering. Some retail buildings are showing property-value declines. The Royalton hotel in Midtown Manhattan, a property at one point “so exclusive that people couldn't go there,” sold for \$41 million last month to MCR Investors, a 25% discount from what the previous owners paid in 2017. The Meatpacking District's luxurious Standard Hotel, home to the Boom Boom Room and star-studded parties for more than a decade, is more than three months behind on a \$45 million outstanding loan and has entered into negotiations with creditors, according to Trepp.

Some investors are stepping back from funding projects in New York City. Commercial-loan volume is down more than 50% this year as of early October, according to Trepp. The big projects that defined the city's skyline have also slowed. No loans larger than \$50 million from the five boroughs have been bundled into commercial mortgage securities in 2020, though there has been a handful of large single-asset, single-borrower deals. “Underwriting for New York properties is really speculative right now,” said Jodi Schwimmer, a partner at law firm Reed Smith. She expects lenders to stay away from New York City projects until prices and property values settle. Commercial mortgage bonds first took a hit in March and April, when storefronts, restaurants and offices closed across the country. The lowest-rate commercial mortgage loans, known as single-B securities, lost around half their value and have yet to fully recover. Yet some worry that doesn't fully reflect the damage wrought by pandemic shutdowns and long-term shifts taking place as people work from home and consume more online. Analysts and investors have said commercial mortgage bonds will take longer to rebound than other types of debt because of their complex assembly of loans from a variety of businesses. More than \$3 billion worth of loans backing commercial property in the five boroughs are delinquent, according to Trepp, and loans in creditor ne-

gotiations total an additional \$4 billion. Few think the market is about to collapse entirely. Many said that while New York has further challenges—including swelling deficits and potentially lower tax revenue—the city rebounded after the 9/11 terrorist attacks and the 2008 financial crisis. Still, the slow recovery has made some investors hesitant to hold bonds from riskier borrowers, leaving them seeking out properties owned by well-capitalized borrowers or by buildings occupied with tenants expected to keep paying their rent. “Any property that looks destabilized needs to lease up,” said Matt Salem, head of real estate credit at KKR. “That doesn't mean we're redlining parts of New York City, but we need to make sure there's durable cash flow for the near future.” That leaves investors picking

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U.S. NEWS

Pelosi Sets Deadline on Virus-Relief Deal

Speaker tells White House a pre-Election package must be agreed to by Tuesday

By Kristina Peterson

House Speaker Nancy Pelosi (D., Calif.) told the White House it had until Tuesday to reach a deal with Democrats, or legislation to provide additional coronavirus relief to struggling households and businesses couldn't be passed before the election.

"That depends on the administration," Mrs. Pelosi said Sunday on ABC's "This Week," when asked about whether a deal could be struck. The 48-hour deadline "only relates to

if we want to get it done before the election, which we do," she said.

If Tuesday evening passes without an agreement, negotiations would be unlikely to produce sweeping relief legislation worth trillions of dollars within the next two weeks, an aide to Mrs. Pelosi said. The election could create new political uncertainties that make an agreement even harder to reach after Nov. 3.

Republicans and Democrats have been sparring for months about a new deal. Some of the programs passed in the spring—including the federal \$600 weekly supplements to workers who lost jobs—have expired.

President Trump recently said he could support even

more than the White House's latest \$1.88 trillion proposal, though it isn't clear Senate Republicans would get behind it. Mrs. Pelosi and Treasury Secretary Steven Mnuchin spoke Saturday night. After the conversation, her spokesman said differences needed to be worked through.

If Democrats win back the White House and potentially the Senate, currently controlled by Republicans, they might feel less incentive to compromise with Mr. Trump if they believe they can pass a bigger relief package under a new administration. Mr. Trump might also be less open to compromise.

"If this does not get done before the election, I am afraid the soonest we would be able to get to any kind of Covid re-

lief is well into February," when Mr. Trump is beginning a second term or Democratic nominee Joe Biden is beginning his first, Rep. Tom Reed (R., N.Y.), who has been pushing for the White House and Mrs. Pelosi to reach a deal, said last week.

The White House's \$1.88 trillion proposal also narrowed the difference in overall spending with House Democrats, who passed a \$2.2 trillion relief bill this month. The two sides have remained entrenched in disagreements over significant policy issues, including how much funding to provide state and local governments and whether to include legal protections for businesses and other entities operating during the pandemic.

Mrs. Pelosi and Mr. Mnuchin did make progress on provisions around a national plan for testing but are still working on components of it. Mrs. Pelosi said Sunday they were still resolving differences over a national plan for testing and contact tracing of the coronavirus and, in particular, how to address its disproportionate impact on Black and Hispanic communities.

Mr. Mnuchin said last week that the White House would largely accept what the Democrats had requested in terms of a national plan for testing and tracing, but Mrs. Pelosi said Sunday the administration had pushed to water down the language and still leave many decisions up to state governments.

"The heart of the matter is to stop the spread of the virus," she said.

A spokeswoman for Mr. Mnuchin said Saturday night that he had spoken with Mrs. Pelosi for an hour and 15 minutes and that the two were expected to talk again on Monday. A Treasury spokeswoman didn't return a request for comment.

Mrs. Pelosi said the two sides also have differences over how much funding to provide for state and local governments, child-care facilities and various tax provisions. She indicated that Republicans have resisted Democrats' call to partially reverse changes that Congress made in March's economic-relief law.

Limited Virus Restrictions Aid South's Economy

By Sarah Chaney and Kim Mackrael

When coronavirus cases began surging across the South this summer, the region seemed destined for the same economic setback the Northeast suffered during the spring.

But by the end of summer, the South's economy remained largely unscathed from the wave of infections. Its unemployment rate had fallen to 6.9%, the lowest of any region in August.

The number of people employed was 6% lower in August than in February, before most of the country locked down, compared with declines of 10.6% in the Northeast, 8.2% in the West and 7% in the Midwest. Consumers continued to spend at relatively high rates.

Many economists say the pace of recovery depends on the path of the virus. The South's economic resilience shows the relationship is more complicated, at least in the short term.

The South is diverse with 16 states, including Texas, Florida, Virginia and Oklahoma, and not all shared the same pattern. Nonetheless, as a whole it owes its stronger economic trajectory since the initial shutdown not to success in containing the virus but to its relatively aggressive reopening of business and a greater willingness by consumers to venture out despite risks.

"In the South, I think that the more pro-business policies that Southern governors have

largely followed for decades allowed much more flexibility earlier," said Mark Vitner, a Charlotte, N.C.-based economist at Wells Fargo Securities. "We did see a rise in Covid infections over the summer. That slowed the pace of reopenings, but it didn't reverse it."

Public-health experts say the South's early reopening came at a price: higher rates of virus infections and deaths starting over the summer, illustrating a trade-off between the economy and health.

New Covid-19 cases surged in many Southern states during the summer, several months after spiking in Northeastern states. Cumulative per capita case counts since the beginning of the pandemic are higher in the South than any other region, though some of that may be due to more widespread testing than was possible in the Northeast during the pandemic's early wave.

Deaths have also been relatively high in some Southern states, especially Louisiana and Mississippi. Overall, the region has reported about 60 deaths per 100,000 people, higher than the Midwest at 52 and the West at 40 but much lower than 132 in the Northeast.

Early on, the pandemic hit the elderly and nursing homes in New York and New Jersey especially hard, which may help explain the Northeast's high death rate. Outbreaks in the summer among Southern states



A customer put on a mask while leaving a restaurant in Clemson, S.C., last month.

were more concentrated among young people.

Most Southern states locked down in the spring along with the rest of the country, but several, especially those with Republican governors, began reopening in late April, well before most of the country.

As the virus ravaged the South this summer, restaurants and bars were ordered to operate at reduced capacity or close temporarily in some localities.

Nonetheless, its restaurants were more likely to remain open than elsewhere in the country. About 85% were taking reservations at the end of September, compared with 82% in the Midwest, 77% in the Northeast and 73% in the West, according to a Wall Street Jour-

nal analysis of OpenTable data.

"If you close all bars and if you make restaurants work at 25% capacity, very mechanically you're going to have fewer jobs there, no doubt about that," said Aaron Yelowitz, an economics professor at the University of Kentucky.

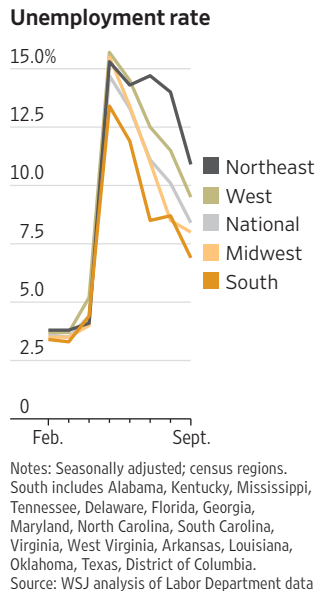
Credit- and debit-card data from Affinity Solutions Inc. suggests spending by residents in Southern states didn't fall as dramatically as the national average during the initial shutdown. By September, their spending was about 0.6% higher than in February, while it was down 2.5% nationwide.

The South's faster recovery is at least partially due to less fear of the virus. Many of its cities are less dense, which may

explain why some people are more willing to go about everyday activities, Mr. Vitner said.

Not all states in the South were quick to reopen. North Carolina Gov. Roy Cooper, a Democrat, was more cautious. By August the state had recovered about 43% of the jobs lost in March and April, while states including Georgia, South Carolina, Tennessee and Mississippi—all led by Republican governors—had recovered well over 50%, according to a Wells Fargo analysis.

On the other side of the equation, North Carolina's cumulative death rate is lower than the Southern average.



◆ Melbourne eases its long lockdown..... A8

Informants Were Key in Sniffing Out Michigan Kidnap Plot

Members of the antigovernment Michigan III%ers liked to spout off on social media, saying things like police "are not your friends" and calling Michigan Gov. Gretchen Whitmer a "tyrant bitch."

By Zusha Elinson, Erin Ailworth and Rachael Levy

But when members of the group allegedly began talking about kidnapping Ms. Whitmer, conducting surveillance of her west Michigan vacation home and building improvised explosive devices, the FBI was listening. Six men were federally charged early this month with conspiring to kidnap Ms. Whitmer, a Democrat, and seven others were charged under Michigan's antiterrorism act. Another man was charged last week on the state level.

Undercover agents and confidential informants like the ones used to disrupt the Michigan plot are key to sussing out when inflammatory rhetoric is turning toward violence, according to current and former law-enforcement members. As authorities grapple with the threat of election-related violence from home-grown extremists, the challenge of parsing words from action is now especially acute.

"You want to figure out who among the movement are really serious about taking action and doing violence," said Aitan Goelman, a former federal prosecutor who worked on the Oklahoma City bombing case. "That can be hard because there is a lot of talking out there."



Michael Null, right, and William Null, left, at a rally in Lansing, Mich. The brothers were among those charged this month in an alleged plot to kidnap Michigan's Democratic governor.

Michigan Attorney General Dana Nessel, a Democrat, called such groups a growing problem. In Michigan, an election battleground state, the governor's lockdown orders to slow the spread of Covid-19 stirred a strong backlash from right-wing militant groups.

Social-media companies have pledged to alert law enforcement of threats, and Ms. Nessel's office has several continuing investigations, she said. "Some of them are very dangerous and have escalated in their planning and plotting and really see their ultimate goal as a civil war," said Ms. Nessel.

The Michigan III%ers appears to take its name from a larger militia movement that the Anti-Defamation League

describes as antigovernment. When Adam Fox, the alleged leader of the Michigan III%ers, reached out to another antigovernment militia group known as the Wolverine Watchmen for help with a plan to take Ms. Whitmer hostage and "try" her for treason, at least one member of the Watchmen was already working with the Federal Bureau of Investigation as an informant and another informant had made his way into Fox's group, according to court documents.

The informant in the Wolverine Watchmen was recruited after federal agents were tipped off in March by a local police department, which said the group was trying to obtain addresses for local officers.

"The FBI interviewed a member of the militia group who was concerned about the group's plans to target and kill police officers, and that person agreed to become a CHS," the agency said in a criminal complaint filed in court earlier this month. A CHS, or confidential human source, is an FBI informant.

At the time the case was filed, one informant had been paid \$14,800 by the government; the other informant had been paid \$8,600. Neither has a criminal record, according to the complaint.

The unidentified informants, known in court documents only as CHS-1 and CHS-2, played key roles in thwarting the evolving plot.

At a hearing in Grand Rap-

Other Groups Say They Are Different

Informants are so commonplace that Lee Miracle, coordinator of the 200-member Southeast Michigan Volunteer Militia, said he acts as if there is always one in their midst. "We just assume that somebody in the group is an informant at all times," said Mr. Miracle. "If you think that way, you'll never say something dumb, like, you know, 'Hey, I got a map for the governor's house.'"

Mr. Miracle's group trains about once a month, practicing marksmanship, survival skills and first aid. He and other private militia leaders in Michigan have sought to distance them-

selves from the men who were indicted in the kidnap plot.

"Most of us are a lot more levelheaded than most people think," said Mr. Miracle, a retired postal-service worker. "We're not going to do something wacky...like kidnap the governor, for example."

A separate group called the Michigan Militia Corps, Wolverines, posted on its website that it "does NOT and never has had any affiliation with the Wolverine Watchmen." Myra, the group's state commander, who didn't want her last name used, said the group didn't agree with "what they were planning to do."

Anger at Michigan's governor is strong within these groups, who chafed at her pandemic lockdowns.

ids on Friday, Magistrate Judge Sally Berens, in the U.S. District Court for the Western District of Michigan, determined there was "sufficient evidence" for the charges.

Without informants, investigating these groups is difficult, according to former FBI agents. Private militias are often informal and don't have membership rosters. Many start and stop within months. Monitoring their comments on social media may lead nowhere—spouting off isn't illegal. And membership alone isn't a crime.

While testifying at Friday's hearing on the case, FBI Special Agent Richard Trask said that Mr. Fox, the alleged leader of the plot to kidnap Ms. Whitmer, was at one time

involved with the Michigan Home Guard, which bills itself as "Michigan's largest and most active militia" on the group's website.

Rick Foreman, the commanding officer of the Michigan Home Guard, told a Michigan radio station that he had kicked Mr. Fox out for "rage issues" and being "a little more radical than I really like."

Mr. Foreman didn't respond to questions for this article.

Lawyers for Mr. Fox didn't respond to requests for comment. Helen Nieuwenhuis, one of Mr. Fox's attorneys, had previously said she didn't plan to make any comments regarding her client, who waived his right to a bond hearing in court on Friday.

U.S. NEWS

Race Enters Final Stretch

Trump lines up string of campaign rallies; Biden is more low key to avoid virus spread

By Andrew Restuccia

WASHINGTON—President Trump returned to a schedule packed with campaign rallies and hit out at rivals in his final push to close a polling gap with Democrat Joe Biden in battleground states.

During a campaign swing through the Midwest on Saturday, Mr. Trump criticized Democratic Michigan Gov. Gretchen Whitmer, and she responded that his rhetoric is putting her in danger. Earlier that day, Mr. Trump hit back at Sen. Ben Sasse of Nebraska after the Republican lawmaker criticized the president's record and ethics in a call with thousands of constituents last week.

Mr. Trump is planning to hold campaign rallies nearly every day as the election approaches, a brisk return to the campaign trail after he tested positive for Covid-19. He is speaking at rallies in Arizona on Monday, Pennsylvania on Tuesday and North Carolina on Wednesday.

His altercations with Ms. Whitmer and Mr. Sasse on Saturday showed him sticking in this final stretch to his combative approach.

Mr. Biden is following a strategy of less intense campaigning. Democrats say big rallies could lead to increased spread of Covid-19, the illness caused by the new coronavirus. He campaigned Sunday in Durham, N.C.

Both candidates are preparing for their second and final head-to-head debate later this week. Stephen Miller, an adviser of Mr. Trump's, said on "Fox News Sunday" that he expected Mr. Trump to avoid interrupting Mr. Biden at Thursday's debate as often as he did in the last one, partly in the hope that Mr. Biden will stumble on his own without being challenged.



President Trump attended church in Las Vegas on Sunday. Joe Biden spoke at a campaign event in Durham, N.C.

After canceling her campaign events last week when a top aide and a flight-crew member tested positive for Covid-19, Sen. Kamala Harris, Mr. Biden's running mate, will return to the campaign trail on Monday in Florida. She will travel to Orlando and Jacksonville for the first day of the state's in-person early voting.

Former President Obama is doing his first in-person event

of the fall on Wednesday in Philadelphia, where he will campaign for Mr. Biden. Mr. Obama is expected to do events in early-voting states before the election to mobilize Black, Latino and young voters.

Mr. Biden is leading the president in most national polls, sometimes by double digits. The polls suggest the former vice president has

made gains with voters who supported Mr. Trump in 2016, including seniors and white women.

But Mr. Biden's campaign has sought to tamp down speculation that he will easily win the election. In a Saturday memo viewed by The Wall Street Journal, Biden campaign manager Jennifer O'Malley Dillon cautioned, "[T]he reality is that this race is far closer than some of the punditry we're seeing on Twitter and on TV would suggest."

In the president's rallies, which often run longer than 90 minutes, Mr. Trump has made the case that Mr. Biden will impose liberal policies that undermine the economy and threaten public safety.

At a rally in Muskegon, Mich., on Saturday, the president criticized pandemic-related restrictions Ms. Whitmer has put in place in the state. "You've got to get your governor to open up your state, OK, and get your schools open," he said. The crowd then began chanting "lock her up" in reference to the governor. Mr. Trump laughed and responded, "Lock 'em all up."

The president's remarks came after several men were arrested and charged with plotting to kidnap Ms. Whitmer.

"This is exactly the rhetoric that has put me, my family, and other government officials' lives in danger while we try to save the lives of our fellow Americans. It needs to stop," Ms. Whitmer wrote on Twitter Saturday night.

The governor's deputy digital director wrote on Twitter that violent rhetoric directed toward Ms. Whitmer increases when the president criticizes her at his rallies.

Trump campaign adviser Lara Trump said on Sunday during an interview on CNN: "He wasn't doing anything, I don't think, to provoke people to threaten this woman at all. He was having fun at a Trump rally."

—Tarini Parti and Sabrina Siddiqui contributed to this article.

Courts Curtail Deadlines for Mail-In Ballots

By Brent Kendall and Alexa Corse

Federal and state courts have sent a message to voters in a string of recent rulings: Don't wait until the last minute to submit mail ballots.

Thanks to an array of recent rulings, ballots in several key states likely won't be counted if they arrive after Election Day, even if mailed on or before Nov. 3. The Supreme Court could have the final say in several cases in the next two weeks.

On Friday, a Michigan appeals court rescinded a 14-day extension for the receipt of mail ballots, returning the deadline to 8 p.m. on Election Day. That reversed a lower-court ruling accepting ballots as long as they were postmarked by the day before Election Day.

Indiana, Wisconsin and Georgia are among other states where courts have re-treated on extended deadlines for the receipt of ballots.

Hotly contested court cases are continuing, including in battleground states such as Pennsylvania and North Carolina, leaving uncertainty in some key states about what the final rules will look like.

"Designing adjustments to our election integrity laws is the responsibility of our elected policy makers, not the judiciary," the Michigan appeals panel wrote.

"Deadlines are essential to elections," even in a public health crisis, the Seventh U.S. Circuit Court of Appeals wrote last week in throwing out a ruling that would have counted Indiana ballots so long as they were postmarked by Election Day and arrived within 10 days.

In many cases, higher-level courts have been effectively undoing pandemic-related ad-

justments by trial judges who believed exceptions to normal election rules were needed to protect voting rights.

"That's the overwhelming pattern at this point," said New York University law professor Richard Pildes.

Most states already have taken steps to make voting easier in response to Covid-19, including efforts to expand voting by mail and early in-person voting. As a result, some courts are reluctant to order additional accommodations, Mr. Pildes said.

Democratic groups have sued to seek concessions in many states, saying more latitude is needed to protect vot-

Hotly contested court cases continue, leaving uncertainty in some key states.

ing rights. Republicans generally have sought to maintain standard election rules.

Though the GOP has won several of the recent rulings, outcomes remain mixed for both sides.

Deadlines aren't the only voting issue in doubt. In Texas, a federal appeals court last Monday ruled Republican Gov. Greg Abbott could enforce new limits on ballot drop-box locations he imposed. But in parallel proceedings, the governor then lost Thursday in a state court that ruled the limits, which allowed only one location per county, were unlawful. Further proceedings are expected.

The Supreme Court has said that last-minute changes to voting rules are usually disfavored, but it hasn't articulated exact legal guideposts.



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Congratulations to our partner, the World Food Programme, on the Nobel Peace Prize.

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Companies Plan for Boost in Tax Rates

By RICHARD RUBIN

On paper, the 21% U.S. corporate tax rate was a permanent cornerstone of the 2017 tax law, a boon to business without the expiration date attached to other provisions. In reality, that low rate is only as solid as Republicans’ ability to wield power in Washington.

That Republican bulwark could vanish next month, taking the corporate rate cut with it and upending the planning companies had done around the 21% rate. Democrats, with a chance to control the House, Senate and White House, want to raise the rate to 28%. President Trump says he would cut it to 20% in a second term.

The tax-rate increase, plus other policies proposed by Democrat Joe Biden, would lower profits and raise costs of operating abroad. The Biden proposal, when combined with state taxes, would push the U.S. back toward the high end of industrialized countries’ corporate rates, after a few years in the middle of the pack.

As the election nears, companies are examining Mr. Biden’s plans and modeling higher tax rates, said Rohit Kumar of accounting firm PwC LLP.

“Only in the last couple of months have companies started seriously thinking about what might the world look like if the Democrats sweep,” said Mr. Kumar, a former aide to Senate Majority Leader Mitch McConnell.

Mr. Trump argues that companies will flee the U.S. if their taxes rise. Economists say the tax increase, in isolation, would be a drag on economic growth, but they disagree over the size of the effect and how the burden would be distributed

As the election nears, companies are examining Joe Biden’s plans.

among shareholders, workers and consumers. Government estimates say the bulk of the cost falls on owners of capital, including foreigners, retirement plans and endowments.

Democrats and some Wall Street analysts say Mr. Biden’s tax increases, viewed in his larger agenda, won’t suppress growth. That is because the money would be spent on education, health care, child care and infrastructure—boosting worker productivity and economic growth in the long run.

“You could raise a lot of money to be able to invest in things that can make your life easier, make you change your standard of living,” Mr. Biden said during his ABC News town hall Thursday.

The reduction in the corporate rate from 35% was the centerpiece of a plan that also lowered taxes for noncorporate businesses, estates and individuals. The business cuts did relatively little to boost investment, and raising the rate wouldn’t have a big impact either, said Owen Zidar, a Princeton University economics professor.

Higher corporate taxes would make it harder for U.S. companies to compete with rivals based in countries with lower taxes, said James Hines, a University of Michigan economics professor. He said the result could mean lower wages and higher prices for Americans, though Congress could mitigate those effects with targeted incentives.

“If you want progressive taxes, which I do, a corporate tax is a bad way to do that,” he said. “The corporate tax is a clunky, not very effective instrument for imposing taxes on the rich.”

The corporate rate is the biggest revenue source in the Biden plan, generating more than \$1 trillion of the \$2.8 trillion net tax increase, according to the conservative American Enterprise Institute. Mr. Biden also proposes tax increases on the real-estate industry and breaks for renewable energy. He would impose a minimum tax on financial-statement income of large companies and higher taxes on U.S. companies’ foreign earnings.

House Democrats Look to Expand Majority

By NATALIE ANDREWS
AND MADELEINE NGO

WASHINGTON—Democrats appear on track to expand their majority in the House based on current polls, nonpartisan election watchers say, running competitively in areas that President Trump won easily in 2016, as women and seniors move toward Democratic nominee Joe Biden at the top of the ticket.

Democrats currently control 232 seats in the House, with 197 held by Republicans and one by an independent. The Cook Political Report puts Democrats’ likely net gain at five to 10 seats, while University of Virginia’s Crystal Ball also sees

Democrats picking up seats.

“It’s the Trump effect,” said David Wasserman, who analyzes House races for the Cook Political Report. “We’re seeing blue-collar women and seniors move away from Trump, and that’s compounded his problems.”

Mr. Trump trailed Mr. Biden by 11 points among registered voters in The Wall Street Journal/NBC News poll released Thursday. Asked which party they planned to support in the House contest, 47% of respondents said the Democratic candidate, while 39% said the Republican.

In the 2018 election, votes for House Democratic candidates outpaced House Republi-

can candidates by slightly more than 8 percentage points nationwide as Democrats took back the chamber, with voters citing health-care policy as a major issue.

Several common themes are playing out in competitive races nationwide. Many Republicans are framing their opponents as too liberal for the districts, tying them to House Speaker Nancy Pelosi (D., Calif.) or more liberal members of the party. Democrats in these races are largely distancing themselves from those same people, casting themselves as centrists who don’t support ideas such as Medicare for All or defunding the police.

In Michigan’s Third District, Army veteran Peter Meijer, a Republican, is running against Democrat Hillary Scholten, and both are highlighting issues that aren’t traditionally aligned with their party. The seat is currently held by retiring independent Rep. Justin Amash, who left the GOP over his opposition to President Trump.

For Ms. Scholten, her Christian faith and Republican endorsements play prominently in ads. Mr. Meijer, who is part of the family that started the grocery chain, is running as a traditional Republican and has emphasized stopping chemical contamination.

Republicans are looking at

picking up seats in districts they lost in 2018, hoping the president’s presence on this ballot will boost GOP turnout. Races in Oklahoma, New Mexico and Utah could be potential bright spots.

Some Republicans might need to win over voters who have soured on the president but are wary of handing Democrats too much power. “What Republicans need to do is to hold people that have been traditional Republicans, but are not happy with Trump, and keep them on the Republican side for the House and Senate. That’s really the secret sauce,” said Tom Davis, former chairman of the National Republican Congressional Committee.

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U.S. NEWS

Herd-Immunity Tactic Alarms Many Experts

By Sarah Toy
And Daniela Hernandez

A group of scientists is pushing back on renewed calls for a herd-immunity approach to Covid-19, calling the method of managing viral outbreaks dangerous and unsupported by scientific evidence.

Eighty doctors and public-health and medical researchers called the herd-immunity approach a “dangerous fallacy” in a letter published Wednesday in the Lancet. The researchers noted it is still unknown how long recovered patients might be immune from the virus. Since the letter was published, more than 2,000 others have signed it in a show of support.

This comes after White House officials outlined a federal strategy for dealing with the coronavirus in a call last week with journalists, pushing for a full reopening of society and citing a document written by three scientists that espouses immunity through natural infection.

Scott Atlas, a radiologist and one of President Trump’s coronavirus advisers, touted the document in a television interview Thursday. “We just had a declaration written and the thrust of the declaration is

Daily U.S. Cases Slip Below 60,000

New coronavirus cases in the U.S. fell back below 60,000 on Saturday, the lowest number in four days, after a recent surge in which daily infections approached the July peak.

Despite the decrease, 42 states showed signs of increased spread and hospitalizations reached their highest number since late August.

The nation reported 57,519 new cases Saturday, according to data compiled by Johns Hopkins University, down from 69,156 on Friday, which was the highest one-day tally since July

29. The U.S. has reported more than 8.1 million cases, with more than 219,000 deaths.

The seven-day average for new cases reported daily was higher than the 14-day average for 42 states. Ten states including Idaho, Minnesota, New Mexico and North Carolina marked records for the number of new daily confirmed cases on Friday, according to a Wall Street Journal analysis of Johns Hopkins data.

Coronavirus-related hospitalizations are at their highest nationally since late August, with 37,404 hospitalizations Saturday, according to the Covid Tracking Project.

The South and the Midwest are hardest-hit, contributing 72% of the nation’s daily new cases,

according to seven-day moving average data compiled by the Covid Tracking Project. The Midwest on Sunday accounted for five of the 10 states with most new cases in the past seven days, with Illinois ranking second behind Texas, according to the Centers for Disease Control and Prevention.

Illinois Gov. J.B. Pritzker on Friday took note of the trend in his and neighboring states. “We’re in a new wave of Covid-19 all across the nation and here in Illinois,” he tweeted. “Please, do your part to help prevent more tragedy: wear a mask, watch your distance and wash your hands.”

—Erin Ailworth, and Joseph De Avila

atic,” said World Health Organization director general Tedros Adhanom Ghebreyesus in an Oct. 12 tweet.

“What they’re calling for would just lead to many—hundreds of thousands of Americans—dying,” said Ashish Jha, dean of Brown University’s School of Public Health.

Despite publicly embracing the Great Barrington Declaration, Dr. Atlas in a statement denied he and the White House have ever advocated for achieving herd immunity through community spread. “We emphatically deny that the White House, the President, the Administration, or anyone advising the President has pursued or advocated for any strategy of achieving herd immunity by letting the coronavirus infection spread through the community,” he said.

The three authors of the declaration met at the American Institute for Economic Research, a libertarian-leaning think tank in Great Barrington, Mass., to create a video discussing herd immunity and the Covid-19 pandemic, according to the document’s official website. The think tank supplied the means for them to record the video, the website said. Afterward, the authors decided to

write a short document summarizing their thinking.

The authors of the document include Martin Kulldorff, a professor of medicine at Harvard Medical School, and Jay Bhattacharya, a professor of medicine at Stanford University Medical School. The third, Sunetra Gupta, a professor of theoretical epidemiology at Oxford University, this year garnered criticism for suggesting that some places might be able to reach herd immunity with just 25% of people infected, due to protection from previous exposure to seasonal coronaviruses.

Most epidemiologists estimate it would take between 50% and 70%, for a population to reach herd immunity. A study published in the Lancet in September found that less than 10% of 28,500 blood samples from dialysis patients across the U.S. tested positive for coronavirus antibodies.

The herd-immunity strategy the paper outlines hinges on separating those who are vulnerable from those who aren’t. In an email, Dr. Bhattacharya said beefing up testing and providing personal protective equipment to workers also are part of the focused-protection approach.

Child Care Teeters on The Brink

Continued from Page One

economist at the University of Minnesota.

Even in good times, the U.S. child-care industry operates on slim margins. Children come and go, which means revenue is unstable. The businesses have little in the way of collateral. Banks are rarely interested in lending to them, beyond costly credit cards, making it difficult to ride out rough patches.

Yet their fixed costs are high. They can’t automate jobs or cut their real-estate costs by operating remotely. The result is a mismatch, where worker pay is low—a median of \$11.65 per hour, according to the Labor Department—but costs for parents are steep. Day care for a single child can easily cost \$10,000 a year, and double or more in big cities.

“Most are so tight on the budget that if you lose one or two children, then you’re seriously in danger here,” said Linda Smith, director of the Bipartisan Policy Center’s Early Childhood Initiative.

Seven months into the pandemic, the government loans and grants meant to keep day cares afloat are running out. Congressional Democrats in a recent report called for more aid for the industry. But lawmakers remain at an impasse on the latest round of stimulus. Day-care operators, meanwhile, are bracing for winter, which threatens to bring a new surge in coronavirus infections that



A teacher at the Little Believer’s Academy in Garner, N.C., walked a group of toddlers back inside the preschool early this month.

could keep children home.

Cassandra Brooks, who runs Little Believer’s Academy near Raleigh, N.C., has been researching financing options for her two-location day care. Mrs. Brooks was shaken when two of her friends, Keisha Sanders and Deanna Randle, closed their day cares.

“On one side, maybe you can get the money and not have to pay it back for a longer period of time,” said Mrs. Brooks, who has a master’s in education. “But then on the other end, I keep thinking, ‘OK, Cassandra, it’s probably not good to get these loans if your business is not go-

ing to bounce back.’”

Her program has about 40 children, down from 90. Some have been in and out of homeless shelters with their parents, and Mrs. Brooks worries how they will fare if her day care closes. “I’ve got to put on a happy face,” she said, “even though it looks like we’re just headed for disaster.”

In a June survey by the National Association for the Education of Young Children, more than 80% of child-care providers said they expected to permanently shut within a year if they lost 20% or more of their enrollment. Day-care providers’ reve-

nue plunged 35% from the first to the second quarter, according to census data.

Some day cares are still full, often because they have scooped up children from competitors that went under. But many owners, especially those who run day cares from home, are taking on credit-card debt or forgoing their own salary.

Charlene Wiggins saw enrollment at her day care and after-school program collapse to 40 from 270 in March. Mrs. Wiggins, who runs Creative World School in Apollo Beach, Fla., pored over health guidelines to figure out how she

could safely stay open. She plowed thousands of dollars into a tuneup for the air-conditioning system, automatic soap dispensers and cleaning supplies. Dress-up clothes and stuffed animals had to go.

In one way, Mrs. Wiggins is fortunate: Children have returned, and she has a wait list. But enrollment is only at about 140 because she has decided that keeping class sizes small is the safest way to operate. “I know when you’re running a business, you’re supposed to be financially minded,” she said. “But I’m 75% teacher-minded.” Her bank has paused her

County Has Election Nail-Biter

Continued from Page One

Trump signs or hears from co-workers supporting the incumbent.

“But I’m not a superstitious person,” he says shortly after casting an early ballot for Mr. Biden. “The reputation is just on paper. It doesn’t have any magical influence on the rest of the county.”

Political scientists agree, saying past winner-picking success doesn’t promise future accuracy. Still, Vigo’s outcome offers intrigue for local and national political junkies every four years.

Ahead of the 2016 election, CNN’s John King highlighted the county as he stood next to his “Magic Wall” displaying past results.

“They know how to pick winners,” he told viewers. “If you are ever driving east to west to Vegas, pick somebody from Vigo County up and take them with you because this county just gets it right.”

Kara Anderson, a Republican who leads the county’s

election board, says the record is “a pretty well-known fact amongst people here,” adding: “It has probably caused folks to pay more attention.”

Joe Etling, a lawyer who has been chairman of the county’s Democratic Party for 24 years, says Vigo’s record gives his party’s voters extra incentive to be active even though Mr. Trump is almost certain to win Indiana’s 11 Electoral College votes.

The state has backed the Republican in every election since 2000, except in 2008.

“They feel like their vote matters,” he says. “If he wins Vigo County, some feel like that could be a harbinger nationally.”

The county doesn’t owe its record to being a perfect microcosm of America. It is 85% non-Hispanic white, compared with 60% for the entire U.S.

It has a smaller proportion of college-educated residents than average and more poverty. It is close to the national average in its share of residents 65 and older.

Interviews with Democratic and Republican voters outside the county’s three early-voting locations—opened Oct. 6—suggest most think the race will be closer in the county than four years ago, when Mr. Trump won by 15 percentage points. They say they will be



Clynton Christie sees Trump signs but says he’s not superstitious.

happy to see Vigo’s streak end if their candidate wins.

“I don’t think it will be by 15 points again,” says Merrill Ashby, 60, an anesthesiologist who says he voted for Mr. Trump in 2016 and 2020.

“He has shortcomings, but I think he’s done what he said he would do, and he has been phenomenal for the economy.”

The county’s unemployment rate was 7.2% in August, the most recent month available, up from 4.3% a year earlier but lower than the national 8.4%.

Located along the Illinois

border, Vigo is a longtime transportation hub, thanks to its proximity to the Wabash River, railroad lines and Interstate 70.

It has manufacturing and agriculture, four colleges and universities including Indiana State University, and the federal prison where Oklahoma City bomber Timothy McVeigh was executed in 2001.

The county seat of Terre Haute, where Vigo’s Democrats are most heavily concentrated, accounts for slightly more than half the county’s roughly 107,000 residents.

After twice backing Democrat Barack Obama for president, Vigo swung Republican in 2016. Mr. Trump’s margin was the biggest since Mr. Obama carried the county by 15.8 percentage points in 2008.

Local officeholders in Vigo are a mix of Republicans and Democrats, although more heavily Democrats.

The county has backed Democrats for governor in every election since 2012, including when Republican Vice President Mike Pence was on the gubernatorial ballot.

Only one other U.S. county comes close to Vigo’s record. Valencia County, N.M., has backed every winner since 1952, but part of it was partitioned in 1981 to create a new county, making a comparison difficult. “I can’t be objective about it because I’m going to say that Valencia County has surpassed the Indiana county,” says Michael Sanchez, a lawyer and former Democratic state senator who lives in the New Mexico county, “so we should probably be looked at more seriously.”

Since 1888, Vigo has had just two presidential misses. In 1952, it backed Democrat Adlai Stevenson over Republican Dwight Eisenhower. In 1908, it picked Democrat William Jennings Bryan over Re-

publican William Howard Taft.

Helping Vigo’s record: It didn’t back one of its own, Terre Haute native Eugene Debs, who made White House bids on the Socialist Party ticket in 1900, 1904, 1908, 1912 and 1920 after being elected the city’s clerk and to the Indiana House.

Democrat Bob Lawson, a voter-registration director for the county, says he sees more enthusiasm for Mr. Biden than for his party’s 2016 nominee, Hillary Clinton, and he expects the county’s outcome to be close to even.

“People who didn’t want Hillary signs last time want Biden signs,” he says.

Matt Bergbower, a political-science chairman at Indiana State, says he, too, is seeing more energy for Mr. Biden in Vigo than four years ago for Mrs. Clinton.

Still, says Mr. Bergbower—he is registered as nonpartisan as all are in Indiana and has voted in Democratic primaries—it is hard to imagine Mr. Biden’s winning Vigo, given his opponent’s 2016 strength: “I expect Trump to win the county.”

Zach McCloud, 25, a high-school music teacher who voted early for Mr. Biden, has a simple explanation for Vigo’s record: “I think it’s just been dumb luck.”

WORLD NEWS

China Warns It May Arrest Americans

Blunt message issued in response to U.S. prosecution of military-affiliated scholars

By KATE O'KEEFFE AND ARUNA VISWANATHA

Chinese government officials are warning their American counterparts they might detain U.S. nationals in China in response to the Justice Department's prosecution of Chinese military-affiliated scholars, according to people familiar with the matter.

The Chinese officials have issued the warnings to U.S. government representatives repeatedly and through multiple channels, the people said, including through the U.S. Embassy in Beijing.

The Chinese message, the people said, has been blunt: The U.S. should drop prosecutions of the Chinese scholars in U.S. courts, or U.S. citizens in China might find themselves in violation of Chinese law.

China started issuing the warning this summer after the U.S. began arresting a series of Chinese scientists, who were visiting U.S. universities to do research, and charged them with concealing from U.S. immigration authorities their active duty statuses with the People's Liberation Army, the people said.

The arrests were the subject of a Wall Street Journal article that also reported U.S. allegations that Chinese diplomats were coordinating activities with the researchers, and described that as a factor in ordering China to close its Houston consulate in July and remove the remaining military scientists from the country.

Chinese authorities have on occasion detained foreign nationals in moves seen by their governments as baseless, a tactic that many in Washington policy circles have referred to as "hostage diplomacy." China has denied U.S. citizens permission to exit from the country, and arrested, charged or sentenced Canadian, Australian and Swedish citizens on what officials from those governments have said are bogus allegations.

A State Department spokesman declined to address the alleged threats to retaliate for the U.S. arrests of Chinese scholars, saying: "We warn U.S. citizens that business disputes, court orders to pay a settlement, or government investigations into both criminal and civil issues may result in an exit ban which will prohibit your departure from China until the issue is resolved."

In a September travel advisory, the department recommended U.S. citizens avoid China travel for a number of reasons, including a warning that the Chinese government detains other countries' citizens "to gain bargaining leverage over foreign governments."

John Demers, head of the Justice Department's national security division, declined to comment on the specifics of the alleged Chinese threats: "If China wants to be seen as one of the world's leading nations, it should respect the rule of law and stop taking hostages."

Neither the Chinese Embassy in Washington nor China's Ministry of Foreign Affairs responded to requests for comment. Beijing objects to the use of the term "hostage diplomacy" by U.S., Canadian and other officials and has said it is only implementing its laws and acting to protect national security.



A makeshift memorial in Paris on Sunday for a 47-year-old teacher who was killed Friday after being targeted on social media.

Beheading of Teacher Jolts France

By SAM SCHECHNER AND STACY MEICHTRY

PARIS—Days before Samuel Paty was beheaded in an attack that shocked France, the 47-year-old history teacher was guiding his class through a fraught debate over the limits of free speech.

The teacher—according to authorities, who interviewed him about the lesson before his death—said he had warned students who might be offended to avert their eyes before he displayed cartoons from Charlie Hebdo, the satirical magazine targeted in a bloody terrorist attack in 2015.

The lesson angered a parent at the school, who posted videos on social media, directing invective at Mr. Paty for sharing a depiction of the Muslim Prophet Muhammad with the class and demanding his dismissal, according to Jean-François Ricard, France's antiterrorism prosecutor. French

investigators are now trying to determine how the polemic spilled onto social media and whether that exposure played a role in Mr. Paty's killing.

French officials say his attacker—identified as Abdoullakh Abouyezidvitch A., an 18-year-old Russian national of Chechen origin—lurked outside the school on Friday afternoon asking students to identify Mr. Paty. He killed him shortly after classes ended, leaving his body in the street, officials said. Mr. Ricard said the suspect then claimed responsibility for the attack in a Twitter message, which said Mr. Paty had abased Muhammad. Police shot him dead minutes later.

Police have detained 11 people in connection with the attack, including four family members of the suspect and the parent who posted the videos, an official said Sunday.

Friday's attack unfolded against a backdrop of rising tensions between elements of

France's Muslim community, among Europe's largest, and a political establishment determined to preserve a long-running tradition of secularism.

Those worlds have collided in the classroom, where France has imposed a ban on Muslim headscarves and other religious symbols but faces criticism that those measures are applied

The murder suspect allegedly tweeted that the victim had abased Muhammad.

more strictly to Muslims.

On Sunday, demonstrators took to the streets in several cities in homage to Mr. Paty. In Paris, several thousand people, including Prime Minister Jean Castex, jammed into Place de la République. Some placed flow-

ers and candles. Others carried caricatures from Charlie Hebdo. One man carried a sign that read, "I am Muslim. I am against violence. I am for free expression."

The government of President Emmanuel Macron has recently moved to outlaw what he called "Islamic separatism" in communities where he said religious laws are taking precedence over civil ones. Mr. Macron said the law, if passed, would empower authorities to close associations he said indoctrinate children, and monitor foreign investment in religious organizations.

Charlie Hebdo was a target for Islamic State militants who massacred the publication's newsroom in 2015.

As part of an eighth-grade lesson on the "contours and limits of free speech," Mr. Paty had organized a debate over Charlie Hebdo's publication of cartoons of Muhammad, said Mr. Ricard, the antiterrorism prosecutor.



The world's second-biggest economy has rebounded from the pandemic. A BYD car plant in Jiangsu Province.

Chinese Economy Grows 4.9%

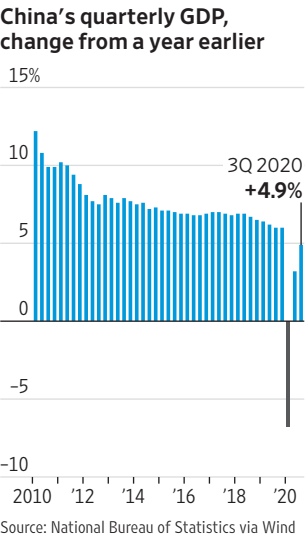
Continued from Page One the only major world economy to grow this pandemic-hit year. By contrast, the U.S., the only economy larger than China's, is expected to shrink by 4.3%, while the euro zone is forecast to contract by 8.3%, the IMF said in its latest update this month.

Monday's third-quarter growth number offers further evidence of China's relative strength, already moving the country's economy into positive territory for the first nine months of the year, expanding 0.7% versus the same period last year.

Other economic indicators released Monday offered further signs of strength. China's headline unemployment figure, the urban surveyed jobless rate, fell to 5.4% in September, lower than August's 5.6% rate and Beijing's target of around 6%.

China revived its economy in roughly three stages: First, by shutting down most economic activity beginning in late January, a lockdown that lasted largely until the end of March.

Beginning in April, authorities sought to get factories revved up again. With produc-



ported retail sales growing by 3.3% in September, outpacing economists' expectation of 1.7% growth.

Chinese citizens' disposable income also turned to growth in the third quarter for the first time this year, officials said Monday, rising 0.6% from a year earlier.

U.S. consumer companies with operations in China have benefited from the return of domestic demand in the country.

Domino's Pizza Inc. said strong retail sales growth in China during the third quarter offered a lifeline to the pizza maker's international business when roughly 300 of the company's global locations were shuttered by the coronavirus, Chief Executive Richard Allison told investors this month, calling China "a terrific success story in 2020."

"While we've had some slowdown in some of our markets around the world, China is definitely not one of them," Mr. Allison said, predicting that China would soon grow to become the Ann Arbor, Mich., company's largest market outside the U.S.

Spice and condiment maker McCormick & Co. said that while global sales fell 1% in the three months ended Aug. 31, due to lower demand from restaurants in the West, the decline would have been much worse without China.

—Grace Zhu and Bingyan Wang contributed to this article.

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WORLD NEWS

Melbourne’s Long Lockdown Is Eased

By Philip Wen

MELBOURNE, Australia—After more than 100 days under one of the lengthiest and most stringent lockdowns in the world, residents of Australia’s second-largest city are getting a hard-earned reprieve—but the terms highlight the global divide over the need for lockdowns to combat the Covid-19 pandemic.

Since July 9, residents of Melbourne have been forbidden to leave their homes except briefly for a handful of reasons, including exercise and shopping for food within a three-mile radius. Offices and retail outlets were mostly shut. Restaurants and cafes were open only for takeaway or delivery orders. A nightly curfew lifted only late last month.

Now, with daily infections down to just two from a peak of more than 700 and three straight days of no coronavirus deaths, health authorities in the state of Victoria, which includes Melbourne, are easing the harshest restrictions, while keeping an overall lockdown tighter than those prevailing almost anywhere else in the world.

Starting Monday, Melbourne’s five million residents will be able to travel up to 15 miles from home, and a two-hour time limit for exercising outdoors will be scrapped. By Nov. 1, retail and hospitality outlets including restaurants, cafes and hair salons will be able to reopen at restricted capacity. Weddings will be capped at 10 attendees, including the couple exchanging vows; funerals, at 20.

With many small-business owners already at breaking point, Victoria’s state premier, Daniel Andrews, said the Nov. 1 target date could be brought forward if infection rates, measured by a rolling 14-day average of daily cases, decline faster than expected. But he didn’t provide an update for industries such as construction, manufacturing and meat processing, many of which



People in the city are freer to travel and go outdoors after more than 100 days. Circles are drawn in a park to help social distancing.

have been operating under capacity restrictions.

The tough tactics underline the divergent approaches that countries continue to take in combating the virus as 2020 winds into its final weeks. Leaders in the U.S. and Europe are struggling with a renewed surge in coronavirus infections. But they are also struggling to balance those concerns with the economic and social dislocations caused by lockdowns.

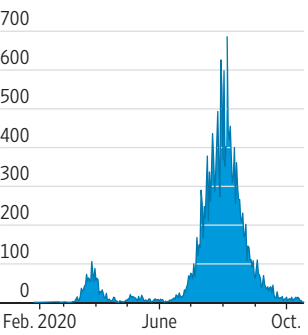
Many public-health officials now say broad lockdowns aren’t necessary, nor are they likely to be obeyed.

In Australia, however, public-health officials are sticking with the aggressive, almost zero-tolerance approach to community transmission they have taken since the start of the pandemic. Even with the new easing, Mr. Andrews has emphasized Melbourne’s emergence from lockdown will

Zero Tolerance

Australia’s Victoria State is keeping many restrictions in place, saying the big drop in cases isn’t yet enough.

Daily new Covid-19 cases in Victoria



Source: State Government of Victoria

remain cautious and gradual.

“These lockdowns have come with pain and damage and hurt, but the strategy is working,” Mr. Andrews said

during a televised news briefing on Sunday. “What it means is that as other parts of the world are going into a deadly winter, with lockdowns and restrictions that are heart-breaking,” Victoria can now “build a Covid-normal 2021,” he said.

Mr. Andrews invited direct comparison with the U.K., which had similar numbers of infections back in August when daily cases in Victoria peaked at 725.

“Today, as Victoria records two new cases, the U.K. hit 16,171,” he said. “And as we continue easing our restrictions, they are being forced to increase theirs.”

Melbourne’s restrictions came into effect after a breach in hotel quarantine protocols this summer sparked a second wave of infections when the rest of Australia was practically virus-free. Officials initially tried a more targeted se-

ries of block-by-block restrictions, but imposed the hard lockdown when they failed to contain the spread.

As a result of the outbreak, Victoria now accounts for 816 of Australia’s 904 deaths and nearly three-quarters of its total cases, according to official statistics.

The tough restrictions have slashed Melbourne’s infection rate, but they have also crippled a city routinely ranked among the world’s most livable. Business groups and political opponents have criticized the state’s response as unnecessarily onerous with a disproportionate impact on the economy and on social well-being.

With Victoria accounting for about a quarter of Australia’s gross domestic product, the restrictions have dragged on the entire country’s economy, which is in recession for the first time in almost 30 years.

Israel Relaxes Rules as Cases Fall

By Felicia Schwartz

TEL AVIV—Israel on Sunday began to emerge from its unpopular second nationwide lockdown following a month of restrictions that helped suppress coronavirus infections.

After four weeks of closing most businesses and confining Israelis across the country to one kilometer around their homes—one of the most sweeping efforts to combat a second outbreak of Covid-19—Israel was able to reduce the infection rate from more than 8,000 new cases a day to under 1,500. The lockdown will be further eased in the coming weeks and months if infections don’t rise again.

Israel was initially a success story when the coronavirus first swept through countries in March. It imposed a strict lockdown earlier than many other nations, but was overwhelmed by a second wave after moving quickly to reopen the economy and schools. The second lockdown, imposed in mid-September, has been met with protests and anger from businesses.

Prime Minister Benjamin Netanyahu said Israel will reopen more gradually this time.

Beginning Sunday, Israelis will be allowed to travel more than one kilometer from their homes and small gatherings will be allowed, capped at 10 inside and 20 outside. Preschools and day-care centers will reopen, restaurants will be allowed to serve takeout, businesses that don’t receive customers can reopen and people will be allowed to visit beaches and parks.

Schools, gyms, restaurants, bars and hotels remain closed. Also reopening with distancing measures are Jerusalem’s three main holy sites: the Western Wall, Al Aqsa Mosque compound and the Church of the Holy Sepulchre.

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WORLD NEWS

U.S. Holds Talks With Syria on Captives

Senior Trump aide went to Damascus earlier this year seeking Americans’ release

By Dion Nissenbaum
And Jared Malsin

A top White House official recently traveled to Damascus for secret talks with the Assad regime, marking the first time such a high-level U.S. official has met in Syria with the isolated government in more than a decade, according to Trump administration officials and others familiar with the negotiations.

Kash Patel, a deputy assistant to President Trump and the top White House counterterrorism official, went to Damascus earlier this year in an effort to secure release of at least two Americans believed to be held by President Bashar al-Assad, the officials said. Officials familiar with the trip declined to say whom Mr. Patel met during his trip.

The last known talks between White House and Syrian officials in Damascus took place in 2010. The U.S. cut off



Marc and Debra Tice in 2018 appealed for their son Austin's release. He disappeared in Syria in 2012.

diplomatic relations with Syria in 2012 to protest Mr. Assad's brutal crackdown on protesters calling for an end to his regime.

U.S. officials are hoping a deal with Mr. Assad would lead to freedom for Austin Tice, a freelance journalist and former Marine officer who disappeared while report-

ing in Syria in 2012, and Majd Kamalmaz, a Syrian-American therapist who disappeared after being stopped at a Syrian government checkpoint in 2017. At least four other Americans are believed to be held by the Syrian government, but little is known about those cases.

Ibrahim Kamalmaz, one of

Mr. Kamalmaz's sons, welcomed Mr. Patel's trip as a positive step in trying to bring his father home.

"This administration is committed to our dad's case, and we continue to speak with officials at the highest levels of the U.S. government to bring dad home," he said on Sunday.

A State Department spokeswoman declined to comment. White House officials didn't respond to requests for comment. The Syrian mission to the United Nations didn't immediately respond to a request for comment.

Both the Trump and Obama administrations worked to isolate Mr. Assad, who has enlisted help from Russia and Iran to suppress popular protests and armed resistance that has sought to force him from power. The nearly decadelong war has fractured the country and left nearly a half-million people dead. Earlier this year, the Trump administration imposed punishing new economic sanctions on Syria that have further marginalized the Assad regime.

In March, Mr. Trump wrote Mr. Assad a private letter proposing a "direct dialogue" about Mr. Tice, and administration officials have tried to negotiate a deal.

Last week, Lebanon's security chief, Abbas Ibrahim, met at the White House with Robert O'Brien, the White House national security adviser, to discuss the Americans held in Syria, according to people in-

volved in the talks. Mr. Ibrahim, head of Lebanon's General Security agency, has served as a mediator between the U.S. and Syria. Last year, he helped to secure the release of Sam Goodwin, an American traveler held for more than two months while visiting Syria as part of an attempt to visit every country in the world.

Last week, Mr. Patel helped broker a deal that led to the release of two Americans held by Iran-backed Houthi forces in Yemen in exchange for the return of more than 200 Houthi loyalists stuck outside the fractured Middle East nation.

The families of both Mr. Tice and Mr. Kamalmaz believe the two men are alive, but Syrian officials haven't offered definitive proof.

Talks with the Assad regime haven't gotten very far, according to people briefed on the negotiations.

Mr. Trump has taken a personal interest in trying to secure Mr. Tice's freedom, mentioning his case in a March news conference and issuing a statement on the eighth anniversary of his disappearance.

Inside the Atlantic Crossing of a ‘Narco-Submarine’

By James Marson

ALDÁN, Spain—In a craggy bay here early one morning last year, police watched three men clamber from the hatch of a curious vessel barely breaking the surface of the Atlantic Ocean.

The 66-foot craft slowly sank as the men swam ashore, where officers grabbed two of them. Police struggled for two days to tow their waterlogged quarry to port, where they found roughly 3 metric tons of cocaine onboard, valued at some \$100 million.

For the first time, they had captured a formidable vessel in drug runners' flotilla: a trans-Atlantic "narco-submarine."

South America is awash with cocaine, and traffickers are turning to new ways of getting it to Europe, which the U.S. Drug Enforcement Administration says may have surpassed the U.S. as the world's largest market.

Narco-submersibles are generally semisubmersibles that float mostly but not completely below the waterline and are nearly undetectable. Most are built out of sight in South American jungles for around \$1 million apiece.

The November discovery off Spain's northwestern coast was the first confirmation of persistent rumors they can also reach Europe, where the bulk of cocaine arrives in container ships at major ports.

"It's a game changer," said Michael O'Sullivan, head of Europe's Maritime Analysis and

Operations Center, which helps coordinate European antidrug agencies.

This account of the narco-sub's voyage from South America to Europe is compiled from interviews with 10 law-enforcement officials from Spain, the U.S. and other countries with knowledge of the police operation, as well as photographs and videos.

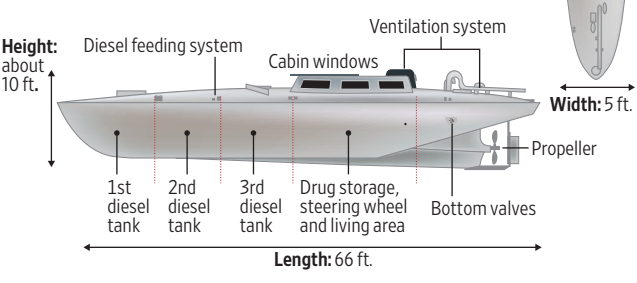
Lawyers for the three suspects—Agustín Álvarez from Spain and Luis Benítez and Pedro Delgado from Ecuador—didn't respond to requests for comment. The three are under investigation by a Spanish court for alleged drug trafficking and membership in a criminal organization. The court ordered Mr. Álvarez jailed pending trial because he was considered their leader and a flight risk. The other two were released.

Their gray fiberglass craft was built at a heavily guarded compound near the Brazilian city of Macapá on the Amazon estuary. The crew arrived in October. The pilot and mechanic, both from Ecuador and in their 40s, stood to make a few thousand euros for the trip, a large sum back home. Mr. Álvarez, a 29-year-old former amateur boxing champion from the Galician city of Vigo, represented the Spanish gang that would bring the cargo ashore. Mr. Álvarez, who lived in Madrid with no stable job, would have made hundreds of thousands of euros. He had no convictions related to illegal drugs but had a boat pilot's license, suggesting to po-

Last November, Spanish authorities intercepted a crude submarine carrying \$100 million worth of cocaine. The cargo was transported from Colombia to Brazil and carried by the vessel across the Atlantic. Two attempts to offload the drugs near Spain failed and the crew scuttled the craft near Vigo.



Narco-submarines are low-tech but very difficult for law enforcement to detect.



Source: Spain's National Police

Roque Ruiz/THE WALL STREET JOURNAL

lice he may have previously been involved in trafficking.

At the end of October, they set course for Spain, some 4,000 miles away. Off the coast of Brazil, speedboats transferred the cocaine, packed into 152 bales marked with the pro-

ducers' logos of a bull, a horse and a devil. The packages had come down the Amazon from Colombia, where production has surged in recent years.

Narco-submersibles are low-tech, uncomfortable and hazardous, earning them the nickname

ing billions of dollars adding to its capacity this year, including adding fulfillment centers.

The crunch comes against an uneven retail backdrop. Consumer spending has picked up. But the rebound is being fueled largely by select sectors, including big-box retailers and home-improvement chains, while department stores and others struggle. Overall spending is below pre-pandemic levels, and there are signs the recovery is losing steam.

Carriers and their shippers spend months planning for the holiday season and hone their forecasts for the number of packages they expect to ship. The two sides decide items like weekly shipping forecasts and how many trailers the carriers might need to pick up from their loading docks each day. Any deviation from the estimate can result in higher rates per package or penalties to compensate the carrier for needing to marshal more resources.

FedEx in recent years has held the line tighter in deciding to accept any additional volume to make sure its network isn't overwhelmed. UPS, meanwhile, has had more wiggle room to accept additional volume because of a recent buildup of major sorting hubs.

In previous years, shippers could usually find space to ship if online sales blew through expectations, though it would come at a premium.

"It seemed like there was always a way where you could buy more capacity," said Hannah Testani, chief operating of-

ficer of Intelligent Audit, a freight audit and analytics company. "Now, that doesn't exist."

The primary reason for this year's capacity shortage is that carriers already have been operating near maximum capacity for months as consumers stayed home, avoided stores and shopped online. The delivery surge has strained networks and led to longer processing and delivery times. Carriers can't quickly boost capacity with new facilities, as it often requires a multiyear planning process.

Carriers already have been operating near maximum capacity for months.

The carriers have imposed shipping limits on customers and added fees to offset the increased costs to staff up, secure protective equipment and other outlays during the pandemic. Pricing power has quickly shifted to the carriers, which are raising rates and being pickier about which shippers they want to do business with.

To manufacture some extra capacity, carriers are asking their customers to try to move some shipping volume to times when there might be more slack in their network.

For FedEx customers, that means doing more on weekends. The company, which has

made a bigger push into e-commerce recently, has started doing pickups seven days a week. It is telling customers that the network has more slack on Fridays, Saturdays and Sundays.

"We don't want to say no to anyone," FedEx's Ms. Carere said. But, she said, "There will be limits to certain days." The company's marketing for the holiday season will also focus on shopping for and shipping orders early, a company spokeswoman said.

The delivery giants are also asking shippers for more detailed data on inbound volume and redirecting it to facilities that can handle it.

"We are working closely with our large and medium customers to steer volume to capacity and ensure the UPS network is reliable for all customers," a UPS spokesman said.

A spokesman for the Postal Service said it is focused on handling election mailing before turning attention to the holidays.

"Our network is designed to handle temporary and seasonal increases in volume, and we have the ability to deliver those additional holiday packages in a timely manner," the spokesman said.

WORLD WATCH

NEW ZEALAND
Ardern Re-Elected On Covid Handling

Prime Minister Jacinda Ardern's center-left Labour Party won a landslide victory in national elections as voters endorsed her government's effort to stamp out the coronavirus.

With most of the ballots counted, Labour had almost twice the votes of its rival, the conservative National Party, which conceded defeat. Labour is projected to have enough seats in parliament to form New Zealand's first single-party government in more than two decades.

Labour campaigned on a higher tax rate for the wealthiest 2% of earners while National promised temporary tax cuts across the board to stimulate the economy. But many voters rewarded Ms. Ardern's government for its success in limiting the spread of the coronavirus and for spending that for now has prevented job losses and kept business closures from spiraling.

—Stephen Wright

BOLIVIA
Vote Held to Replace Exiled President

Bolivians voted peacefully Sunday in the first round of an election to decide who should rule the resource-rich country: an ally of Evo Morales, the former left-wing president who was driven from

power last year, or a candidate who is himself a former president.

Polls have shown the six-candidate race was essentially a contest between Luis Arce, Mr. Morales's longtime economics czar in the Movement Toward Socialism Party, and Carlos Mesa, president for 18 months between 2003 and 2005.

As of 11:30 p.m. Sunday, only a tiny percentage of ballots had been counted. Interim President Jeanine Añez said: "We should all have patience to await the results without generating any type of violent incidents."

—John Otis and Juan Forero

THAILAND
Demonstrations Enter Fourth Day

Thousands of antigovernment protesters gathered at Bangkok's Victory Monument wearing raincoats, helmets and goggles, braced for a confrontation with authorities who two days earlier used water cannons to disperse a rally.

Sunday marked the fourth consecutive day protesters defied a government ban on large gatherings, and the second day they circumvented mass-transit shutdowns, arriving at protest sites on foot and by motorcycle taxis. Though protesters were prepared for a possible encounter with police, authorities took no action against them and they dispersed around 8 p.m.

—Feliz Solomon

Holiday Delivery Is Stretched

Continued from Page One

"Everybody's in the market looking for more capacity," said Tim Geiken, principal at Platinum Circle Partners LLC, a logistics consulting firm. "With minimal exceptions, nobody is finding it."

The capacity shortfall could average as much as seven million packages a day between Thanksgiving and Christmas, estimates ShipMatrix Inc., a software provider that crunches parcel shipping data. Satish Jindel, the firm's president, estimates total shipping capacity for the industry will be 79.1 million parcels a day during that period, with 86.3 million packages looking for space. Last year, total capacity was 65.3 million packages with 67.9 million looking for space.

"Consumers should be prepared for deliveries to take extra days no matter which carrier is delivering their parcels," Mr. Jindel said. The shortfall could be minimized, he said, if Amazon.com Inc.'s delivery network adds more drivers or if the Postal Service delivers more packages on Sundays.

An Amazon spokeswoman said the retailer is "confident in our ability to serve customers this holiday season" after spend-

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FROM PAGE ONE

Economy
Has a
Rocky Side

Continued from Page One
the entrepreneur is keeping his businesses going and the comedian is writing jokes for the pandemic era.

Cincinnati's diverse economy includes factories, universities and corporate headquarters, including Procter & Gamble Co. and Kroger Co. As in the country at large, most of the city's businesses are small. Many sprang up in the past few years as Ohio's economy surged with the country in the decade following the financial crisis.

The boom drove the local jobless rate to a two-decade low of 3.1%, just before the crisis struck, and buoyed groups historically disadvantaged: Black and Hispanic people and those with disabilities, limited education or criminal records.

The single mother

One beneficiary was Ms. McBerry. She had spent six months without a home, staying with a relative, before moving with her two younger daughters to an apartment. Her two older daughters live in another apartment in the same complex.

Ms. McBerry works as a cleaner at a child behavior and crisis center and its affiliated school, employed by a firm called RaysClean LLC. She moved into the apartment of her own on March 2.

A week later, on March 9, Ohio Gov. Mike DeWine declared a state of emergency. The state had recorded three cases of Covid-19. On March 13, President Trump declared a national state of emergency, and Mr. DeWine, a Republican, said schools would close.

Besides directly costing many jobs, that move made it hard for parents with children to work. Ms. McBerry was squeezed on both sides. The center's school closed, reducing her work hours.

The loss of half of her income left Ms. McBerry and her family close to losing their home again. "I don't want to be homeless," she said. "That feeling—I will never recover from that."

She weighed which bills to pay first. She could put off the gas and electric, she thought, but not rent. "I can barbecue, I've got flashlights," she said. "But you have to have shelter."

She navigated food pantries and other services. The United Way referred her to Freestore Foodbank. Ms. McBerry worried she wasn't eligible because she was working and would feel judged for needing assistance. But when she arrived at Freestore in late April, she found its workers gracious and supportive. She came away with groceries and hygiene products.

Food insecurity in the U.S. has spread, despite the economy's partial comeback. Across the country, 10.5% of adults lived in households that didn't have enough to eat at some point in early September, up from 9.8% in early May, Census figures show. Freestore distributed 9.6 million meals from mid-March to mid-June in the tri-state region anchored by Cincinnati, up 58% from that time in 2019.

Ms. McBerry ran late on her May rent. She had the money within days but had to wait for another week so she could pay the late fee.

The state shutdown closed her infant daughter's day-care center. To go to work, she had to rely on family, including her 12-year-old daughter, to watch the baby.

That is a problem nationwide. About 13% of parents stopped working or reduced their hours in June because of child-care problems, according to Alicia Sasser Modestino, an economist at Northeastern University in Boston.

Ms. McBerry started feeling run down at work. Her body ached, and she lost her senses of taste and smell. She learned from colleagues that an employee with Covid-19 had those symptoms.

Her boss let her stay home for three weeks, without pay. Ms. McBerry eventually regained her strength, but the time off set her further back financially. She believes she had Covid-19 but never found out. She said she couldn't find a free test.

The Legal Aid Society of Greater Cincinnati helped Ms. McBerry access public-assistance funds, enough to make her rent in June and July. She is



A look at lives in Cincinnati: 'I worry every day.' Clockwise from top left: Crayona McBerry is a single mother; Steve Caminiti is a comedian; Means Cameron is a retail entrepreneur; and Katie Smanik was a supply-chain specialist at GE.

back to working five full days and works several hours on Saturday and Sunday, 50 hours a week in all.

Her 12-year-old, though, is taking classes online now, and has told her mother she can't watch the baby all the time. Ms. McBerry's 20-year-old daughter, who works for the same cleaning company, took the night shift so she could babysit during the day.

"I just have to keep myself going, make sure I'm safe and my family is safe," Ms. McBerry said. "It's not even 'worries' anymore, it's part of living now. It's life."

The comedian

As a professional comedian for over 30 years, Steve Caminiti is used to lean times, but not like this.

He was booked to perform at Cincinnati's Belterra Park casino and at a private party the weekend of March 13. A state ban on large gatherings shut the casino that day, and there went \$3,500. Also halted was a side gig he had, ushering at Cincinnati Reds baseball and college basketball games. His whole income was gone.

"I don't have a plan B," Mr. Caminiti said in his faux-shocked comedic style. "I forgot to get a plan B!"

Congress passed the \$2.2 trillion Cares Act in March as a bridge to the economy's reopening, then assumed to be in just a month or two. The U.S. sent stimulus checks to many households, offered forgivable "Paycheck Protection" loans to small businesses, extended unemployment insurance to gig workers and added \$600 a week to benefits. By May, more than 30 million Americans were receiving regular and special pandemic-related benefits.

Still, a patchwork of state rules and overwhelmed processing systems meant many claimants struggled to collect benefits. Some 44% of people who filed for unemployment between March and Aug. 15 hadn't received their benefits by Aug. 31, according to the Century Foundation, a left-leaning think tank that does labor-market research.

Mr. Caminiti applied for jobless benefits a dozen times but kept hitting roadblocks. He had worked in various states, and individual performances often didn't pay enough to generate the tax forms he needed to prove his income. Eventually, he was able to tap the self-employment benefit, but the \$600 enhanced benefit expired at the end of July. In August, Mr. Caminiti received less than \$100 a week.

His longtime landlord gave him a break on rent, and he turned to family members for a loan. "It's embarrassing," the 58-year old said. "At my age, I shouldn't have to do that."

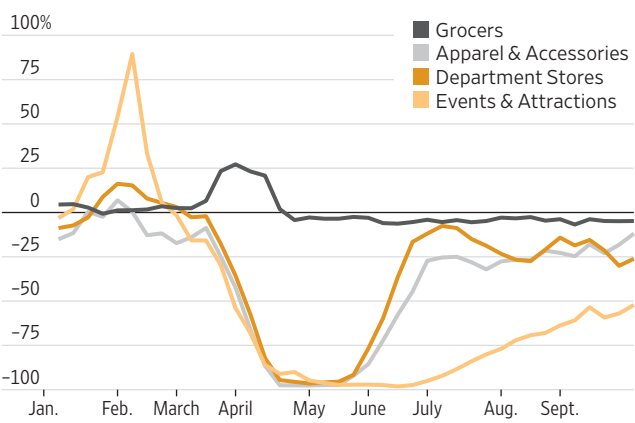
Mr. Caminiti orders off the dollar menu at fast-food restaurants. He doesn't turn down leftovers after his Italian family gathers for dinners at his parents' house.

Mr. Caminiti's daughter, who lives in Hawaii, had his first grandchild this year. He visited

Change from a year earlier in restaurant reservations for seated diners, seven-day average



In-store consumer spending in Cincinnati metro, change from a year earlier*



*Four-week trailing average of debit and credit card spending. †Includes other trade and utilities. Sources: OpenTable (reservations); Earnest Research (spending) Labor Department (employment)

in February but doesn't know when he can afford to return.

"I made a decent middle-class living, but this changes everything," he said. "I'm going to have to find a job that has retirement benefits, and maybe do the comedy on the side."

Mr. Caminiti worked for several weeks as a Census taker, at about \$24 an hour. A friend in construction paid him for a few painting jobs.

The U.S. had 10.7 million fewer jobs in September than in February, despite the comeback from the depths of the downturn. The ranks of the laid-off

Some parts of the economy are roaring while other sectors languish.

who no longer expect to return to their old jobs within six months keep growing, a sign that some sectors may take years to return to their pre-pandemic employment status.

At highest risk are businesses that, like Mr. Caminiti's, depend on live customers. About 36% of the jobs deficit, versus February, is attributable to three industries: food service, accommodations and arts, entertainment and recreation. "Comedy will survive, but some of the venues won't," said Mr. Caminiti.

Cincinnati's restaurants are allowed to open now, but seated diners were down more than 30% in mid-October from a year earlier, according to reservation app Open Table. Ohio now allows indoor venues to have the



server at Oakley Pub & Grill. She kept applying for jobs in her field. For a while, she despaired of returning to her career path. It looked as if she could become part of the long-term scarring that economists cite.

But a position at a supplier to GE called Midstate Machine looked promising. By mid-July, she was back at work, in a job that involved a lot of her past responsibilities at GE. She earns 17% less than before but is saving enough from living with her parents to start shopping for a home of her own.

The entrepreneur

Like many who start businesses, Means Cameron is an optimist. This year has tested his resolve.

His two Cincinnati shops, Black OWned OuterWear and Black Coffee Lounge, are a few blocks from a downtown that was emptied by the pandemic and then was in the path of this spring and summer's protests over police treatment of Black people.

He has felt stress over whether his businesses can survive in a shrunken retail landscape, but also exhilaration over the opportunities from a greater awareness of the challenges confronting Black Americans.

Mr. Cameron started a clothing line in high school. He put his business on hold for Miami University in Oxford, Ohio, where he studied marketing. In 2011, Black OWned, a new clothing brand, made its debut, and in 2014 he opened a clothing store.

Five years later, Mr. Cameron rented the space next door and opened Black Coffee Lounge. The shops are adjacent to Over-the-Rhine, a once hardscrabble neighborhood that gentrified, drawing young professionals and wealthy empty-nesters to its restaurants and cultural attractions.

The coronavirus shutdown arrived just as Black Coffee Lounge was becoming the kind of community space he set out to create. Mr. Cameron, who is 36, shifted his focus to bringing it back. "What do I need to do to reopen?" he asked himself. "What do I need to do to survive?"

He tried curbside pickup in April but closed that down after a week because of slow sales. In anticipation of reopening, he had to persuade anxious employees it was safe. Three agreed, but "my manager decided she didn't want to come back."

As the state business lockdown wore on, protesters gathered in Columbus chanting "reopen Ohio." Gov. DeWine allowed restaurants to reopen on May 21 with social distancing.

The morning of May 22, Mr. Cameron's eyes darted toward Black Coffee's front door every time a customer stepped in. Reopening day had arrived, though not with the fanfare of his launch in July 2019, when 400 people packed the lounge. Many of the downtown office employees who used to come in were working from home.

A few days later, George Floyd was killed in police custody in Minneapolis, and subsequent protest demonstrations turned destructive in Minneapolis and other cities, including Cincinnati.

Five days after Mr. Floyd's killing, an employee of Black Coffee Lounge who came in early called Mr. Cameron to say a stone had been thrown through a window. Mr. Cameron was in disbelief, first that his store had been hit and then at the stream of customers and neighbors who stopped by to offer support.

Business remained brisk for several weeks, but that hasn't lasted. Nearby corporate headquarters remain largely empty.

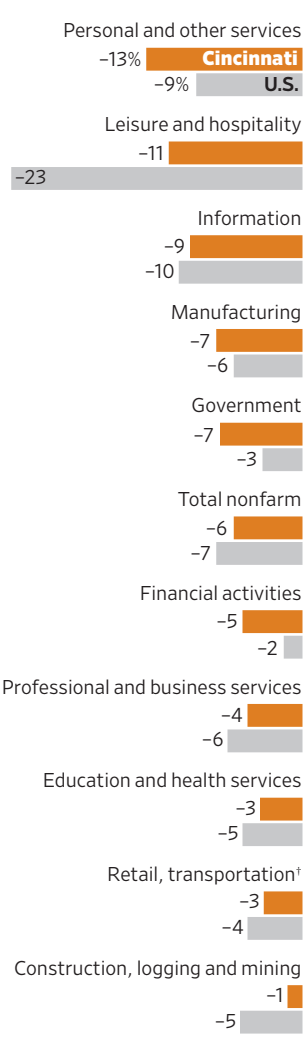
His two young children have helped him overcome the rough stretches, he said, as well as loyal customers such as the 71-year-old who stops in every few weeks to buy a new "Black OWned" cap.

In July, a news photographer captured the image of basketball star Chris Paul wearing a "Black OWned" mask from Mr. Cameron's online store. The subsequent boom in orders has been "a whirlwind," Mr. Cameron said.

Meanwhile, Mr. Cameron is working on launching an online store to sell his house beans and on reopening to in-person dining. He has hired a third barista and is in talks to sell coffee to some of the companies whose office workers will eventually return to downtown.

"That's really what it's all about," he said. "Being able to adjust."

Change in employment in major industry groupings, Aug. 2020 from a year earlier



marketing and operations management. It was her dream employer, a big, well-known multinational, and she thought she would spend her entire career with the company. She did well, and last year a manager asked her to take on a new position tracking parts orders for a U.S. military engine.

She became an example of how the pandemic toppled dominoes. Americans canceled business trips and vacationers stayed home, slamming air traffic. Airlines postponed orders for aircraft and parts, including engines.

Rumors of job cuts swept through GE's Evendale offices. "I was just praying daily it wouldn't be me," Ms. Smanik said. She had six years of experience and a string of favorable reviews, but was the newest employee on her team.

At the end of April she got an email arranging a video call with her boss and someone from human resources. As it began, she knew almost immediately she was losing her job. "I bawled like a baby," she said. "Do you need a minute?" her boss asked.

"No," she said. "It's OK."

Ms. Smanik had an apartment in Cincinnati's Oakley neighborhood and was saving to buy a home. She moved back with her parents in Maineville, 30 miles to the northeast. Many young adults have made the same adjustment. Some 52% of 18-to-29-year-olds surveyed said in July they were living with at least one parent, up from 47% in February, according to the Pew Research Center.

When Ohio let businesses reopen in May, Ms. Smanik went back to a weekend job as a

GREATER NEW YORK

NYPD Forms Asian Hate Crime Force

First police unit dedicated to investigating crimes targeting a single race

By SHAN LI AND BEN CHAPMAN

The New York Police Department is forming an Asian Hate Crime Task Force, its first-ever task force dedicated to investigating crimes targeting a single race.

The city has seen a rise in hate crimes directed at Asian people since the coronavirus pandemic began, the NYPD said. Staffed by 25 detectives of Asian descent who speak a combined nine Asian languages, the group is tasked with guiding victims through the justice system, from reporting a crime to prosecution. It will remain after the pandemic, the NYPD said.

“When a victim looks at an Asian cop, they’ll see, ‘Oh he reminds me of my brother, or my son,’” said Stewart Loo, the NYPD deputy inspector who heads the task force. “It gives them some comfort level.”

The nation’s largest police department logged 23 incidents of coronavirus hate crimes, a separate category created this year to track crimes targeting someone for their identity based on the perception that it has something to do with Covid-19. All but one targeted New Yorkers of Asian descent.

Hate crimes overall have plunged in the city, according to NYPD data. There were 206 hate crimes recorded by the NYPD between Jan. 1 and Sept. 27, down 33% compared with 308 in the same period a year



Deputy Inspector Stewart Loo, left, Det. Martin Chen, center, and Police Officer Jacky Wong, of the NYPD Asian Hate Crime Task Force

ago. Incidents of anti-Semitism, which account for the majority of hate crimes reported in the city, fell 50%.

Deputy Inspector Mark Molinari, commanding officer of NYPD’s Hate Crime Task Force, said he wasn’t surprised when crimes rose against Asian people. The origins of the virus in China, he said, would inspire some people to irrationally blame Asian-Americans.

But what he hadn’t expected was the reluctance of some victims to cooperate with authorities—some driven by fear of law enforcement, others by a lack of English proficiency and still more who worried about

their troubles going public, he said.

“They would not answer our phone call, they would not answer the door for us,” Mr. Molinari said.

When he discussed these problems during a virtual town hall with the public, Mr. Loo, a commanding officer at the Manhattan South Detective Bureau, reached out with a proposal: Create a team of Asian-American officers to investigate crimes that involve Asian victims or witnesses.

So far, officers on the task force have been sent out to chat with Asian victims in person and have persuaded some

to report crimes, Mr. Loo said. The officers are lent to the task force as needed but also have full-time jobs elsewhere in the department.

Mr. Loo, who immigrated to the U.S. from Taiwan as a child in 1983, said his father was robbed multiple times working as a delivery man for Chinese restaurants in Manhattan during the 1980s. He would serve as a translator between his dad and the police, he said.

“I was kind of like 8 or 9 years old, trying to translate, trying to get through,” he said. “It was tough.”

Those experiences partly inspired him to join the NYPD in

2000, he said.

“With Covid and the whole anti-Asian sentiment, it’s a very uncomfortable feeling being out in public,” he said.

Coronavirus-related hate crimes have occurred in neighborhoods in all five boroughs of the city except Staten Island, NYPD data showed. Manhattan has experienced the most, with 13 incidents, followed by five in Brooklyn, three in Queens and two in the Bronx. Arrests have been made in 15 cases.

In one March incident, the police said, a group of four teenage girls approached a 51-year-old woman on an MTA bus in the Bronx. The teens at-

tacked the woman, made anti-Asian statements and struck her in her head with an umbrella before fleeing the bus. The woman was taken to a local hospital where she received stitches for a laceration to her head.

Three 15-year-old girls, who were apprehended near the scene a short time after the incident, were arrested and charged with hate-crime assaults, menacing and harassment. One teen wasn’t apprehended.

In another case in September, a man on a bicycle began yelling anti-Asian statements at a man and his female companion who were walking on Broadway in Manhattan near Union Square. The man on the bicycle then assaulted the man with his bicycle and his backpack, before fleeing on the bicycle. Nobody was injured, and no arrests were made.

Alice Wong, chief of staff at the Chinese-American Planning Council in New York City, said many of her friends and family started fearing for their safety after the pandemic hit. Some people blamed Asians for the virus, or would avoid Asian people or businesses out of a misguided fear that they would get Covid-19, she said.

Ms. Wong, who hasn’t been the victim of a crime, said she has talked to the NYPD since March to voice her concern about anti-Asian sentiment and crimes and share concerns she hears from others in the community.

“Everyone thought it was a matter of time before someone said something derogatory or someone hurt them or someone said they should go back to their country,” she said.

New Jersey Scrambles on First Mostly Mail-In Vote

By JOSEPH DE AVILA

New Jersey’s election system will be tested in the coming weeks as most voters will be casting their ballots for the presidential election by mail or dropping them off for the first time in the state’s history.

The state is one of four in the U.S. that this year opted to automatically mail ballots to voters to minimize in-person voting to limit the spread of the coronavirus. A handful of other states, including Utah and Oregon, already take the approach for every election.

Local election officials have begun delivering nearly six million ballots statewide to active registered voters, the most ever mailed in the state. More than 1.25 million ballots had been returned as of Thursday, according to the New Jersey Secretary of State’s office, or 32% of the total number who voted in the 2016 presidential election.

“The volume of paper is tremendous,” said Christine Giordano Hanlon, the Monmouth County clerk. “All of the elections offices have had to scramble to adjust, to accommodate the high volume of paper. It’s just not something that has been done before.”

Ms. Giordano Hanlon said she hired more than 20 people to help keep up with the workload, and her office is rushing to send the rest of the ballots, including those for newly registered voters. The deadline to register was Tuesday.

New Jersey voters can return their ballots by mail or drop them off at select locations. The number of in-person polling sites will be reduced for the election, and people who choose to vote in person will have to cast a paper provisional ballot, which would be counted after all of the ballots that were mailed in and dropped off. Only voters with certain disabilities will be able to vote in-person on a machine.

New Jersey had a test run for the mostly vote-by-mail election in July, when 1.36 million voters cast their ballots for the presidential primary. It took several days to declare some winners.

New Jersey also started an online registration website in September. The state has added about 251,000 registered voters this year, according to the secretary of state’s office.

County clerks and boards of elections have also been inundated with queries from voters asking why the election pro-



New Jersey voters can return their ballots by mail or drop them off at select locations.

cess changed this year or to inquire about the status of their ballots.

“Phones are ringing all day long with questions,” said John Hogan, the Bergen County clerk.

Secretary of State Tahesha Way, the state’s top election official, said her office also was fielding calls from voters. She said her office started a pro-

gram to teach New Jerseyans about the new voting process, the location of drop boxes for ballots and how to track their ballots.

Inaccurate voter lists also created headaches for county clerks in charge of mailing out the ballots to voters, county clerks said. It isn’t uncommon for deceased residents and voters who moved out of state to

slip through the cracks and remain on voter lists even during normal elections, said Ms. Giordano Hanlon. But it adds an additional complication for county clerks already stretched thin during a first-of-its-kind election, she said.

It isn’t likely that someone would successfully vote using the ballot of a dead person because the ballot would get

weeded out by the state’s signature-verification system, a spokeswoman with the secretary of state’s office said. And if someone is caught voting from an address they don’t actually live at or engaging in other types of voter fraud, they would face a \$10,000 fine and five years in prison, she said.

Election officials are also preparing to count the ballots to certify the election results. The state passed a law earlier this year that permits officials to begin counting the ballots 10 days before Election Day. Before the new law, the count could only begin on Election Day.

Ms. Way said voters should have patience on election night because some races will be called but others will take more time. “What is important is that our election officials count all properly cast votes,” she said.

Nicole DiRado, administrator for the Union County Board of Elections, said her office hired 50 seasonal workers for the election and was expecting to receive about 200,000 mail-in and drop-off ballots to count. That will shatter the county’s record for absentee ballots set in 2018 when it received 19,000 ballots, she said.

STATE STREET | Jimmy Vielkind

Delgado Is Walking to Re-Election After Scrappy 2018 Win



Campaigns and outside groups spent almost \$30 million in 2018 on a fierce fight to represent New York’s 19th Congressional District. But this year’s Hudson Valley race is relatively muted, and even some Republicans privately concede Democratic Rep. Antonio Delgado is walking to re-election.

The drastic shift is a combined result of demographic trends, haphazard candidate recruitment by Republicans and (like all things in 2020) President Trump and the coronavirus pandemic. Both parties are instead focusing their resources on the re-election battles waged by two other Democrats elected in the 2018 Blue Wave: Reps. Max Rose of Staten Island and Anthony Brindisi of Utica.

“Congressman Delgado appears to be getting a much

better first re-election chance than his fellow freshmen,” said Siena College Research Institute pollster Steven Greenberg.

Mr. Delgado’s Republican opponent is Kyle Van De Water, a 40-year-old attorney and Army veteran making his first run for elective office. He declared his candidacy in February after higher-profile candidates—Dutchess County Executive Marc Molinaro and Anthony German, a retired general—passed on a campaign. Several GOP operatives said Mr. Molinaro, who unsuccessfully ran for governor in 2018, froze the field before he announced he wasn’t running in January.

The pandemic struck soon after, making it difficult to interact with potential voters in person. Mr. Van De Water won support from most of the Republican committees in the 11-county district and defeated a fashion designer, Ola Hawatmeh, in a

primary. She is urging supporters to write in her name during the general election.

And Mr. Van De Water has struggled to raise funds, hampering his ability to increase name recognition or draw the interest of outside groups.

He never met the metrics to get support under the National Republican Congressional Committee’s Young Guns program, which is supporting four other GOP candidates in the state.

“He only came on the scene early this year, which in normal times might have been sufficient time,” said John Faso, the Republican whom Mr. Delgado defeated in 2018 by 15,000 votes. “But the pandemic made it not-normal times, so it’s an uphill climb, there’s no doubt about it.”

Through the end of September, Mr. Delgado’s campaign had spent \$2.3 million while Mr. Van De Water had spent less than \$40,000. In

2018, Mr. Faso’s campaign spent \$3.9 million, and Mr. Delgado spent \$9.1 million, which also included expenditures to win a Democratic primary. Outside groups spent more than \$14 million on the race that year, according to the Center for Re-

Both parties are focusing on the re-election battles of two others.

sponsive Politics.

In 2018, the nonpartisan Cook Political report rated the district as a tossup. Now the seat is in the “likely Democratic” column. As of February, there were 18,785 more enrolled Democrats than Republicans in the district, an edge that has grown by 7,000 voters since November 2018.

Dutchess County Democratic Chairwoman Elisa Sumner said Mr. Trump has prompted a surge in Democratic enthusiasm. “Strong Republican candidates are not interested in running this year,” she said. “They’re looking to see what happens in two years.” New York will redraw the lines of its congressional districts ahead of the 2022 elections as part of the required decennial reapportionment.

Mr. Trump carried the 19th District by more than 22,000 votes in 2016, and allies of Mr. Van De Water hope he can ride to victory if the president has coattails this year. Carl Higbie, a consultant to his campaign, said Mr. Van De Water had to balance campaigning with his day job and chose to focus on talking to voters rather than raising funds.

“Kyle is at events seven days a week, trying to harness the groundswell we’ve seen so far,” Mr. Higbie said.

Mr. Delgado’s campaign didn’t return emails seeking comment.

ALBANY’S NEWEST VOTER: More than a year after Gov. Andrew Cuomo moved into the Executive Mansion, down the street from the State Capitol in Albany, he is officially registered to vote in the city.

Mr. Cuomo, 62 years old, had kept himself registered at the Westchester County house owned by Sandra Lee, the Food Network host. Mr. Cuomo moved out of her house in 2019 as their romantic relationship fizzled.

The governor filed a change-of-address form last week with the Albany County Board of Elections, according to an election official. Mr. Cuomo requested an absentee ballot, the election official said, but a gubernatorial spokesman didn’t say whether he planned to vote by mail, on Election Day or during the state’s nine-day early-voting period.

GREATER NEW YORK

Jersey Shore Town Tied to NYC Uptick

By PAUL BERGER

The coronavirus cases started ticking up in July among a tight-knit community of Sephardic Jews summering at the Jersey Shore.

By October, the cases had contributed to the virus’s spread 60 miles north in Brooklyn, N.Y., where health officials scrambled to prevent a second wave of infection.

Recent attention regarding the resurgence of the virus in New York City and its suburbs has focused on ultra-Orthodox communities with roots in Eastern Europe, who have

Frequent large gatherings with hundreds of guests are common.

chafed at restrictions imposed by Mayor Bill de Blasio and Gov. Andrew Cuomo. Such communities are typified by large families of seven or eight children living in multifamily homes and apartments where Yiddish is often the first language spoken.

The Sephardic families of Gravesend and Midwood in Brooklyn generally have fewer children and tend to live in single-family homes where English is the first language. They are largely doctors, lawyers and businesspeople with a background in countries such as Syria and typically one foot planted firmly in the secular world.

Sephardic community leaders said they have urged mask-wearing, social distancing and vigilance since the start of the

virus outbreak. But they said pandemic fatigue, some apathy and mistrust as well as a culture built around large communal events proved fertile ground for the virus’s spread.

The Sephardic Community Center in the Gravesend section of Brooklyn, is located in a southern swath of the borough 2 miles north of Coney Island. When Covid-19 arrived in New York City early this year it swept through the community, killing almost 100 people in a couple of months, according to community officials.

Frequent large gatherings with hundreds of guests are common for life events and Jewish holidays and help create a sense that everyone knows everybody else. “It hit home every time somebody got ill or passed away,” said Jack Aini, president of Sephardic Bikur Holim, a social-services agency based in Gravesend.

Many Sephardic families spend their summers at second homes or with relatives in and around the shore town of Deal, N.J., where a small Sephardic community lives year round. As New York City shut down in March and April, many families left Brooklyn to isolate near the Jersey Shore, often in large homes with spacious yards.

Communal officials set up a WhatsApp group that included about 100 doctors to monitor for suspected and confirmed cases in Brooklyn and New Jersey and to share information. They said people largely heeded health guidance on social distancing and by early summer Covid-19 cases had almost disappeared.

Then, on July 10, an umbrella organization for schools and religious groups, the Sephardic Community Alliance, circulated a letter from the



The Sephardic community's culture built around large communal events proved fertile ground for the virus's spread.

doctors group warning of an uptick in cases. Some were in Brooklyn, but most were in the Deal area. The doctors urged people to heed health advice and to wear masks whenever social distancing wasn’t possible.

At that time in New Jersey, beaches up and down the shore were packed. Outdoor gatherings of up to 500 people were allowed by Gov. Phil Murphy. After a three-week religious period that prohibited Jewish celebrations ended in late July, Sephardic celebrations in and around Deal took off.

Sephardic couples had scaled down weddings throughout the pandemic, sometimes limiting guests only to close family, with everyone else attending via Zoom, said Mr. Aini, the Bikur Holim president. Though that tradition continued through the summer, he said, once outdoor restrictions were eased by the state, some people felt comfortable inviting more guests to outdoor events held under a canopy. By late August, people began to test positive and were attributing it to large events

and gatherings, Mr. Aini said.

On Sept. 4, the Sephardic Community Alliance released a statement from the community doctors warning there had been more than 100 Covid-19 infections in Deal in the previous week alone, mostly among younger people whose symptoms were mild.

“What we are finding even more concerning,” the doctors’ statement said, “is that people with Covid-19 symptoms have been refusing to get tested, while those exposed to Covid-19 have not been isolating, knowingly putting others at risk.”

The Sephardic community leans conservative politically. Some communal officials felt that messages disseminated across conservative news outlets and social media, including by President Trump, played down the threat of the virus and the need to wear masks, leading some people to not take it seriously. To dispel myths circulating at the time, the doctors added that the virus hadn’t mutated into a milder strain and that the community hadn’t developed herd

immunity.

New Jersey health officials said they aren’t aware of such a large number of cases in the Deal area at that time, possibly because of the way such cases are tracked. If a person being tested in New Jersey provides a home address in New York, officials said, that test would be logged as a New York case.

Dr. Edward Lifshitz, medical director of the Communicable Disease Service for New Jersey’s health department, said that his department has communicated with New York City officials regarding cases that the city believes originated in Deal. A spokesman for New York City’s health department said some Brooklyn cases have been linked to New Jersey and that the department collaborates with neighboring health officials when there are known exposures.

Members of the Sephardic community started moving back to New York City around Labor Day and prepared for a return to school and Jewish holidays that began with the Jewish New Year on Sept. 18.

Mr. Aini said that because

people would start mixing with families over the holidays, they were encouraged to get tested, even if they didn’t present symptoms. The result was a wave of positive tests.

By the end of September, two ZIP Codes with large Sephardic communities had the highest Covid positivity rates in the city, of 6.9% and 5.6%, helping, along with ultra-Orthodox communities nearby, to push the citywide average above 3% for the first time. On Oct. 2, the doctors released a statement that during the previous three days more than 50 community members in Deal, Manhattan and Brooklyn had been hospitalized and two had died.

Community leaders say some Sephardic schools and synagogues implemented stricter Covid-19 safeguards than the city and state required. Some synagogues moved services outdoors, while some yeshivas set up sneeze guards at desks and hired or trained staff for Covid-19 cleaning and contact tracing.

—Emma Tucker contributed to this article.



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The Dream of Alone Time Is Real

People who have gone months without quiet at home are savoring some while they can



WORK & LIFE

RACHEL FEINTZEIG

One morning in September, I crept down the stairs and was greeted with an unfamiliar sound: nothing at all. Our babysitter had just pulled out of the driveway, both kids in tow, en route to the playground. My husband was at work. I stood there in the kitchen, equal parts electrified and off-kilter. For the first time in months, I was home alone.

Around the world, as people start to head back to the office and many kids shuffle off to in-person school at least part-time, those of us left behind are emerging from the corners we’ve been holed up in trying to get some privacy all these months. We’re taking off our headphones, leaving doors ajar and trying to figure out how to seize the sudden, precious and possibly fleeting solitude.

“When it starts to happen, it’s just sort of the heavens-opening-up moment,” says Laura Vanderkam, an author who’s studied time diaries of working parents. “It almost feels scandalous that you are getting this time in a

quiet house by yourself.”

You may have imagined some dramatic celebration or ceremonial rite to mark the occasion—say, dancing in your bathrobe in the living room—but it turns out freedom mostly looks like wandering the house in a delighted stupor, savoring the vestiges of pre-lockdown quotidian life. A dad of four in Indiana told me he was indulging in solo vacuuming breaks during the workday. A legal consultant in the London suburbs was reveling in his newfound ability to water the backyard without interruption.

“We’ve all been together essentially every minute of every day since January,” says Karen Grépin, a public health professor in Hong Kong who became round-the-clock tech support for her two sons during months of virtual classes and camps. On Sept. 23, after they boarded the school bus, she drank her coffee in silence.

“I was all alone,” she says. “It was very weird.”

“I felt wonderful,” she adds.

The pleasures of solitude are often a luxury for people with a lucky set of circumstances. For many, the pandemic has been marked by profound loneliness. Those who live alone have faced deepened isolation. Others remain separated from loved ones by closed borders or must keep dis-

YOU’VE GOT THE HOUSE TO YOURSELF. NOW WHAT?

■ **Have a plan:** Many people don’t deal with empty time well, Prof. Nguyen says. Have a goal and loose agenda for your solo stretch. That way you can look forward to it and avoid falling into worry and rumination when things are quiet.

■ **Put down that phone:** “You can look at Instagram when the kids are tugging you to go get apple juice,” Ms. Vanderkam says. Use this time to dive deeper into something that requires full concentration, like reading a book.

■ **Set yourself up for success:** Pick an activity you’re interested and competent in, Prof. Nguyen says. Now isn’t the time to try something super difficult—you don’t want to come away feeling like a failure.

■ **Establish boundaries:** Tell those you live with you’re taking some time alone and try to have them fully leave the house, if possible, for a set period. That way you’re not constantly bracing for someone to walk in.

tance from at-risk relatives in the hopes it protects them from the virus.

Still, those who have been holed up with family for months say they wouldn’t mind a break from their roommates at this point.

When Stephanie Matta’s parents decided to depart for a daylong trip to Cape Cod with friends at the end of the summer, the 25-year-old declined to join them, adding, “I love you guys, but please don’t let anything cancel your plans.”

Ms. Matta, who moved back into her childhood home in March

when her graduate program in speech language pathology went online, had found herself pining for things like complete control over the thermostat or the ability to gab freely while on the phone with a friend.

“I’m always wondering, can someone hear me right now?” she says.

For nine hours at the end of August, when the answer was a resounding no, Ms. Matta blasted music from the Broadway show “Hamilton,” singing at the top of her lungs. She claimed the comfiest spot on the couch. And she left

her dishes in the sink for an hour.

“It just felt freeing,” she says. “I can live however I want for the whole day.”

Even 15 minutes of alone time can have a calming effect, says Thuy-vy T. Nguyen, an assistant professor at England’s Durham University who studies solitude. Her research finds that time by ourselves leads to a drop in positive and negative emotional states of arousal, from the buzzy energy you feel at a concert to anger and anxiety. The result is generally relaxation, though sometimes boredom can creep in too. On our own, there are fewer stimuli and no social expectations.

That might explain why Sarah O’Donnell, an auditor and mother of two in New Jersey, felt empowered to keep a whole Snickers to herself while she was home alone for the first time since March.

“I finally realized I was free to go get my sneaky bar of chocolate and I wasn’t going to share it with anyone,” she says.

Over the previous months, her days had been a blur of parenting and work.

“My only quiet time would be getting on the Peloton bike and having someone shout at me,” she says. Now she curled up on her back deck, chocolate in hand, feeling no guilt.

Reminders abound that these peaceful interludes could vanish at any time. In Israel, across Europe and in New York City, restrictions on businesses and movement are rolling out again. And even in places where schools remain open, plans feel precarious.

Kelly-jayne Smith, a 48-year old single mother in the British coastal town of Clacton-on-Sea, spent a blissful recent evening in her empty house, eating her favorite Chinese takeout order and watching an entire movie without pausing once. Three days later, her youngest daughter landed home from her recently reopened school with a slight fever.

Of the prospect of more alone time, Ms. Smith says: “It doesn’t look promising.”

That’s part of what froze me in place that recent morning—a disbelief that this could really hold, a bracing for the sudden return of noise and company. What if the kids forgot their snack cups? Was my husband planning to swing by the house for lunch?

Then I remembered my own mother, who for my entire girlhood hosted an annual Champagne toast on the first day of school where neighborhood parents would celebrate their kids’ departures. Carpe diem.

I retrieved a cookie dough ball from my personal stash, hidden in the bowels of the freezer. I turned on Taylor Swift, and turned it louder. Before I knew it, I was dancing around the kitchen, joyfully and terribly. Oh well. No one was watching.

Reboot

Career Reinvention
A Cordon Bleu-trained pastry chef ditched desserts to become a data analyst at a global advisory firm

By RAY A. SMITH

Chris Pariso grew up in New Hampshire in a family where everyone loved to cook. After high school, he trained at a local affiliate of the prestigious Le Cordon Bleu culinary school and became a pastry chef.

But after more than five years in the kitchen, he realized he wanted to “do more with my life than bake cookies and brownies all day long.” Today, the 37-year-old Mr. Pariso is a data analyst on the corporate security team at Gartner, a research and advisory firm. But starting afresh in 2008—when the global economy was cratering—was scary. “I was very nervous. Everything had tanked,” he said.

At the time, Mr. Pariso was an assistant pastry chef with a big bakery supplier. He didn’t enjoy baking anymore and was worn out by the grueling hours and their toll on his girlfriend. “It’s really hard to have a meaningful relationship when you’re working 70 hours a week and you’re exhausted when you come home,” he said.

His next career, he decided, should tap his mathematical aptitude and interest in criminal justice. That would require higher education—and more time than his culinary-arts course, which took less than a year. At age 25,



he recalled, “here I am, walking away from an established career to go back to school, potentially saddle myself with a bunch of debt and then dive into an unknown job market.”

He enrolled in Northern Essex Community College in Haverhill, Mass., to pursue an associate’s degree. His bosses let him work weekends and shifts between morning and night classes during the week. In his first semester, Mr. Pariso juggled work and three classes. He bumped it up to five once he got the hang of school again. “I didn’t want this taking five or six years to get going on a new career,” he said.

He graduated and left the bakery supplier at the end of 2012. He moved to Connecticut to attend the University of New Haven and to be closer to his girlfriend, who was living in a New York City suburb. They married the following year and Mr. Pariso studied for a bachelor’s degree in criminal justice at UNH. He completed the program in 2½ years and spent two more earning a master’s in investigations.

He cobbled together savings, scholarships and student loans to pay the bills. UNH offered him a full-time administrative job at its research institute, waiving tuition for his final semester as an under-

Update

Name: Chris Pariso

Age: 37

Location: Ridgefield, Conn.

Education: B.S. in criminal justice, M.S. in Investigations, the University of New Haven

Former Job: Pastry chef

New Job: Data analyst at Gartner, a research and advisory firm.

Aha moment: “Wanting to make some kind of change in my life.”

Most important piece of advice for changing jobs: Plan! “Look at the job you want to have, say, five years down the line, look at the requirements. OK, that’s your syllabus, that’s your course of action.”



Chris Pariso, left, at home in Ridgefield, Conn. Above, Mr. Pariso making a gingerbread log cabin during his first career as a chef.

ident data/analytic nerd, and beat things with the math stick as needed,” Mr. Pariso said. Since the spring, he has been working from his Ridgefield, Conn., home, and expects to continue remotely until fall 2021.

His new field has better hours—and twice the pay he made as a pastry chef, he said. He and his wife, who is an adjunct professor at LIM College in Manhattan, have a 16-month-old son and a daughter who is nearly 3.

Mr. Pariso enjoys cooking and baking again, for his family. Habits he learned as a chef, such as “working calmly under stressful, time-sensitive situations,” are useful in his job, he said. Experience “in open kitchens has given me some great interpersonal skills,” he said.

What’s more, Mr. Pariso added, pre-pandemic, “bringing in baked goods for a potluck or birthday never hurt either.”

FROM LEFT: JULIE BIDWELL FOR THE WALL STREET JOURNAL; CHRIS PARISO; JULIE BIDWELL

PERSONAL JOURNAL. | CAREERS & LEADERSHIP



How People Really Feel About Working Remotely

Months into the pandemic, evaluating what’s good and bad about WFH

By KATHRYN DILL

For the millions of Americans working remotely since March, it has been a year of challenges, opportunities, and getting really, really comfortable

with Zoom. Some have found unprecedented flexibility, fitting in workouts and lunch breaks where they couldn’t before, or moving to new places. Others have struggled to balance the demands of virtual school with

back-to-back video conferences. Even those eager to keep working remotely in a post-pandemic future miss catching up with co-workers in the elevator and chatting in person with clients. Here’s how some of their lives have changed:

▲ **Gillian Holdstein**, above, is a 35-year-old senior sales director working remotely from home in Sonoma, Calif. She relocated from New York and says, ‘the window of when I can have calls with people has...shrunk. I used to have more time between calls throughout the day and try to space my calendar accordingly. I’m not at liberty to do that, so it’s back-to-back calls from when I get up until 1 or 2.’



Marianne Gooch 63
Executive speech consultant, Houston

“What I miss the most is touch—shaking a hand, or people that I know really well—giving business hugs, or just seeing someone if I go to a networking event. Nothing sparks creativity like somebody coming up with a good idea in a meeting. Zoom can do that, but there are limitations to Zoom.”



Brandi Jeter Riley 41
Data annotation manager, Oakland, Calif.

“There were times when [managers] would set meetings and make a change really quick around 8 or 5, and that’s the time we go to preschool or pick up from after school. Now that everybody is home and they’re there with their kids also, they really recognize this is what working from home is.”



Ruthie Townsend 26
Sales representative, Denver

“I always take a break around 12 and I used to never take a lunch break, really. Now I’m like, ‘I’m going to go do something with a friend quickly, work out or actually eat lunch and not stare at my computer.’ I actually eat real food now because I made it, not just a peanut butter sandwich, which I used to eat every day.”



Ly Nguyen 29
Software engineer, Seattle

[After moving back in temporarily with family] “I log off by 6 typically, a good eight- to nine-hour workday. When I was in California, I would crack my laptop open as soon as I woke up...I got in at 9:30 or 10, I would leave at 5 to work out, go home, have dinner and then I’d work a little more...Because my family is around, it definitely doesn’t feel good to be working into the night as a consistent behavior.”



Jordan Thompson 30
Financial planner, Atlanta

“My normal day-to-day is going into the office, but also meeting with clients...When you’re doing Zoom meetings you’re seeing each other, but do you have their undivided attention? It’s difficult for people in my line of work, but in some ways it can be easier. Instead of seeing five clients a day because of traffic, you might see 10 clients a day via video calls.”



Donna Medrek 50
Legal consultant, Chicago

“By 8 o’clock I just want to go to bed. I’m keeping [my son] on task, keeping myself on task. I have to work harder and work every day to kind of play catch-up...It’s an everyday thing, they’re just longer days. I am very grateful that I have a job that allows me to work from home.”

ASK PERSONAL JOURNAL

VACATION-DAYS DILEMMA

Many people have canceled vacations or have been unable to take time off during the pandemic. My company has a use-it-or-lose-it policy, but we can’t all take off between now and the end of the year. What will happen to my unused vacation days?

The bottom line
Employees and managers across the country are facing a year-end reckoning over unused paid time off. Labor laws governing sick leave and vacation time can vary by state, and even by city or county. Most states allow “use-it-or-lose-it” policies, under which employees forfeit any vacation days left unused at the end of the year. A handful of states, however, apply limits to such policies or forbid them outright. Make sure your company policies comply with local labor laws.
There’s still time to make changes for this year, and many businesses are re-evaluating their PTO policies given the pandemic upheaval. Your company may be willing to consider individual accommodations to the regular policy, a companywide temporary policy change or some other solution, given the extraordinary circumstances of Covid-19.



The details
There is a legal distinction between sick days and vacation days, says Wayne Outten, chair of employment-law firm Outten & Golden in New York. “There is no federal law that requires vacation pay, so it’s important to understand the laws of the state you’re in,” he says. Employees concerned about unused vacation days should start by looking at their state and local labor laws and reading up on existing company policy.
Check the fine print. “This is peak ‘handbook season,’ the time of year employers should be taking a look at their policies and boosting them up for 2021,” says Deidra Nguyen, a San Diego-based employment lawyer with Littler Mendelson, a law firm that specializes in management representation.
With so many employees switching to remote work this year, employers should take note of the laws in the place the work is being done, she says, regardless of where the company’s office or headquarters is.
Some policies contain language that may be open to interpretation, she says. Some jurisdictions allow forfeiture of accrued time off, as long as the employee had “a reasonable opportunity” to take vacation during the year but failed to do so. At what point do travel restrictions, infection risk, remote-learning and mandatory quarantines negate reasonable opportunity? “When someone says I canceled my vacation time because of a global pandemic, I would tread lightly there,” Ms. Nguyen says. “Think about how a jury would look at it.”
Most clients she’s heard from recently are considering reprieves for 2020-21, rather than permanent policy changes. “It comes down to shades of generosity,” Ms. Nguyen says. “Realistically, do we think employees are going to have the full and fair opportunity to use this vacation in Q1, or could it take longer?”
For managers, the key is to make sure the changes are prospective, not retroactive, she says. “You don’t want to pull the rug out from under people,” she says.

—Hilary Potkewitz



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ARTS IN REVIEW



By Lee Lawrence

There, in my mailbox, crammed among magazines, bills and fliers, was a travel brochure. An ill-conceived bit of marketing perhaps, but one that inspired a trip—without leaving my apartment. Since I’ve been reading a lot lately about Islamic architecture and design, compiling a wish list of destinations proved easy; the challenge lay in selecting among those well-suited to my mode of transportation: online panoramic images that allow us to look up, down, turn around and zoom in.

A virtual tour by AramcoWorld magazine offers an ideal start: It’s hard to imagine visiting Jerusalem’s Dome of the Rock with a more expert and engaging guide than Oleg Grabar, a groundbreaking and widely influential scholar of Islamic art who died in 2011. Completed in 691, “the first architectural masterpiece under the name of Islam” was built on the

Travel across continents on a virtual tour of the wonders of Islam’s built environment

site of King Solomon’s temple, whence Muslims believe Prophet Muhammad journeyed through various realms of heaven. Our tour begins with distant views of the octagonal monument rising within the Al-Haram Al-Sharif—or Temple Mount—park.

Inside the monument itself, Mr. Grabar points out the world’s oldest surviving Quranic inscription, repurposed Corinthian columns, striated marble panels that form dia-



Clockwise from above: exterior of the Dome of the Rock in Jerusalem; inside the Dome of the Rock; the Shah-i-Zinda in Samarkand, Uzbekistan; Court of the Lions at the Alhambra in Granada, Spain

mond and chevron patterns, and “the largest collection of preserved wall mosaics from before the 12th century anywhere in the Mediterranean region.” Vines swirl, acanthus leaves explode from vases, and flowers burst into full bloom, each design subtly different from the next and occasionally sparkling with gemstones. Filmed in 2008, the view of the inner dome is partially obstructed by scaffolding, but this annoyance—which makes the experience feel oddly more real—in no way dims the magnificence of the mosaics. Their gentle blues and greens against a gold ground create “a kind of rampant mythic abundance,” in Mr. Grabar’s words, “a kind of paradise. What a contrast this makes to the dry, rocky, harsh land of the region of Jerusalem.”

The tour proceeds to the pavilions and early mosque of Al-Haram Al-Sharif. By the time we leave the complex, we have seen early examples of what became hallmarks of Islamic art. These include *muqarnas*, clusters of niche-like forms; in-

scriptions that double as graphic designs; and decorative motifs like scrolling vines and geometric patterns that play supporting roles in Byzantine art now claiming center stage under Islam.

For a taste of how this style evolved in the western reaches of Islam, a 360cities.net photograph lands us in Salé, Morocco, in the courtyard of a small, 14th-century theological school—or madrasa. Most immediately eye-catching are the stripes, lozenges, stars and checkerboards made of blue, black and white mosaic tiles that cover the floor, pillars and dado. Our eye then travels up to honey-colored stucco walls and arches teeming with vegetal and geometric patterns carved at varying depths, adding a play of light and dark, flat and recessed, to the designs. At the very top, dark cedar wood, also carved, surrounds the skylight, while bands of inscription run throughout the decorative scheme. Some, like this one, speak for the building: “I am constructed like a tiered palace and sparkle like rows of pearls on the neck of one that is engaged to be married.”

Some believe the same team of artisans worked on the Alhambra’s Nasrid Palaces in Granada, Spain—which we can visit via another AramcoWorld virtual tour. Mostly built during the 14th century, they feature similar tiers of mosaics, carved stucco and wood, but their mesmerizing effect is magnified by the seemingly endless juxtaposi-

tion of patterns and inventive uses of *muqarnas*. The latter appear on capitals in the Court of the Myrtles; enliven archways in the Court of the Lions; and, in the Hall of the Abencerrajes and Hall of the Two Sisters, they transform cupolas into star-shaped portals to what feel like glimmers of infinity.

Muslim rulers some 5,000 miles away in Samarkand, Uzbekistan, meanwhile, were building a dazzling complex of mausoleums. In 360cities’ “Shah-i Zinda Oldest Part,” the mid-14th-century tomb of a Sufi saint combines bands of dense tile patterns with airier motifs traced by the glazed edges of the bricks. By 1385, when Timur the Conqueror built a tomb for his sister (rising before us in 360cities’ “Shah-i Zinda Complex” image), his army had reached Iran and brought back technologies and artisans—hence the richer, deeper blue glazes; and the incorporation of mosaic faience, in which craftsmen carved leaves, vines and other shapes, then assembled them so meticulously that the design looks painted.

A click on an arrow with her name, Shirin Beka Oka, whisks us inside. And, even though I’m looking at my monitor, I take a long, deep breath. Gold-accented *muqarnas* and delicately drawn geometric patterns cast a net of calm above an aqua-blue dado.

Timurid art and architecture, with its mix of Chinese and Iranian elements, had a great impact on India and Turkey but also influenced one of its sources. Invited to Iran by Shah Abbas (ruled 1587-1629), Timurid court artists helped give rise to a new style of painting that spilled over into textiles, carpets and other forms of art. It seems fitting to end this virtual journey with 360cities’ images of Bagh-e Fin, a magnificent garden surrounded by desert landscapes. Commissioned by Shah Abbas, the architecture and murals of its decorated pavilions bear witness to the synergy of art and its exuberant expression in works from the Islamic world.

Ms. Lawrence writes about Asian and Islamic art for the Journal.



TELEVISION REVIEW | DOROTHY RABINOWITZ

Walter Winchell: Tuned In to Power

Walter Winchell (1897-1972), who grew up in poverty in East Harlem, began his working life as a boy hooper in Vaudeville. Then, having learned to merchandise gossip, he got a regular spot in a newspaper—the New York Evening Graphic, where he began working in 1924. This “American Masters” film provides impressive period detail—some of the most fascinating of which concerns the newspapers of the times.

Winchell soon had a spot as a syndicated columnist, and then came radio—the place where most Americans first encountered the magnetism of those opening lines, soon to become world famous, despite the fact that they were addressed to listeners in the United States. “Good evening Mr. and Mrs. America, from border to bor-

der and coast to coast and all the ships at sea. Let’s go to press.”

So successful was Winchell, and so influential, that he won the attention of major political figures, not least the newly elected president of the United States, Franklin Delano Roosevelt, who invited him to the White House in 1933—the beginnings of Winchell’s deep affinity for FDR and the New Deal. As the threat of war and of Nazi domination of Europe grew—and as FDR recognized the implacable resistance of American isolationists to any form of American interventionism or aid to the Allied cause—he invited Winchell to the White House again, to encourage him as a voice against isolationism. Winchell hardly needed convincing. In the world of journalism, his would be the earliest and most tireless voice raised against Hitler and Nazism.

The film’s focus on the prewar period of Winchell’s career is both extensive and bloodchilling—the latter because of the forever-startling sight of the American Nazi movement’s considerable presence. As the film points out, they were regularly on parade, training, drilling, and they were not few. And there was the 1939

meeting in Madison Square Garden, the famous one that drew 20,000 worshippers of Hitler and Nazism, that celebrated George Washington, and that, above all, exhibited gleaming rows of the American flag side-by-side with the swastika.

The event infuriated Winchell, as he made clear. So strong was his following, so influential his voice, that his audience included political leaders in Europe, who often came under Winchell’s scrutiny. It isn’t mentioned in this documentary but, when Neville Chamberlain traveled to Munich to meet Hitler in 1938, Winchell reportedly said the prime minister did that because “You can’t lick a man’s boots over the phone.”

The postwar Winchell of this impressive documentary becomes, as was the case, a different political creature—one who became an ally of Sen. Joseph McCarthy. He would now feel as well the unmistakable loss of his power and influence. There were numerous reasons—above all, it was the age of television, and Winchell wasn’t at home on the screen.

Walter Winchell: The Power of Gossip
Tuesday, 9 p.m., PBS



Columnist and broadcaster Walter Winchell in 1935

SPORTS

Data-Driven Approach Lifts Rays To Pennant

By JARED DIAMOND

When Tampa Bay Rays manager Kevin Cash emerged from the dug-out with two outs in the sixth inning Saturday, longtime baseball fans simultaneously groaned. Charlie Morton, the Rays’ starter, looked dominant in Game 7 of the American League Championship Series, holding the Houston Astros scoreless on just 66 pitches. He appeared poised to deliver the kind of October masterpiece that would sit alongside the most memorable performances of the past. Cash, armed with mountains of statistics and information compiled by a group of scientists and math whizzes in the front office, arrived at a different conclusion: With the season on the line, he needed to remove a pitcher throwing a two-hit shutout. The strategy, which defied all conventional wisdom gathered over the first century-plus of the sport’s history, worked perfectly. The relief duo of Nick Anderson and Pete Fairbanks recorded the final 10 outs, sending the Rays to the World Series for the first time since 2008. The Morton episode showed yet again that in 2020, data dictates everything that happens on the field, with no room for even the slightest deviation from the cold, unwavering truth that numbers provide. “That’s what we do,” Cash said. “We believe in our process, and we’re going to continue doing that.” The team’s financial limitations force them to operate differently, and it manifests in the Rays pushing every cutting-edge theory and technique to the extreme and stretching the fabric of the game to its absolute limit. They rely heavily on their bullpen, not letting a starter go more than seven innings all season—and not beyond six in these playoffs. Their entire offense revolves around power, with about two-thirds of their ALCS runs scoring via a home run. (Rookie sensation Randy Arozarena hit four homers alone, including a two-run shot Saturday, to earn MVP honors.)



The Rays are in the World Series.

When Suffrage Hit Baseball

More than a century ago, women swarmed big-league ballparks to lobby for the right to vote

By RACHEL BACHMAN

The women’s suffrage movement languished through much of the 1800s, its leaders depicted as droning and dowdy. But the early 1900s brought a rebranding: Spry women in sashes. Sleek motorcars. Massive parades. And baseball. “Please tell your traffic cops if they see a streak of green and white and purple whizzing along at forty miles an hour...not to arrest the streak for scorching,” a May 1913 New York Tribune story declared. The blur would merely be a car full of women speeding to the Polo Grounds “to convert the pitchers and catchers and umpire and the ‘fans’ and all the rest of the game to suffrage.” Some fans say this 2020 year of social activism has sullied sports, a realm they view as politics-free. But leading up to 1920, suffragists orchestrated what might have been the most overtly political push in pro sports history: They swarmed baseball games as part of their successful campaign to amend the U.S. Constitution and give women the vote. Suffragists sold tickets “by the thousands” for a July 7, 1915, “suffrage day” game at the Philadelphia Phillies’ Baker Bowl and promised packed stands, according to the Harrisburg (Pa.) Telegraph. They decorated the stadium with yellow streamers and pennants and handed out handheld fans that read “Votes For Women” to “help to stir up the suffrage atmosphere for the human fans.” A Sept. 16, 1915, game at the Pittsburgh Pirates’ Forbes Field benefited a women’s-vote group, and the suffragists made it more interesting: They pledged to pay \$5 to every player who scored a run. It’s no mystery why suffragists were drawn to the ballpark. Baseball was hugely popular in the early 1900s, especially among the swelling populations of East Coast cities. Crowds at games were overwhelmingly male, which was part of the suffragists’ strategy. They needed to win over the people who could vote to give them the vote. The campaign’s full force was unleashed in a May 18, 1915, game between the Chicago Cubs and New York Giants at the Polo Grounds. New York was a pivotal state in the drive to pass the 19th Amendment and suffrage leaders, many of them college-educated and married to prominent New York City men, leveraged their advantages. Behind a flurry of promotion for the game was George Creel. A former newspaper editor and publisher, Creel would later be appointed by Woodrow Wilson to head the U.S. Committee on Public Information, the government’s



A group of women advertising the ‘Suffrage Day’ baseball game between New York Giants and Chicago Cubs in May 1915.

propaganda arm during World War I. Creel was chairman of publicity for New York state’s Men’s League for Woman Suffrage, a group whose members included banker/philanthropist George Foster Peabody and sportswriter Grantland Rice. Men were crucial to the suffragists’ campaign, said Brooke Kroeger, author of “The Suffragists.” “They controlled all the avenues of power, so of course they were important,” Kroeger said. For the Cubs-Giants game, suffragists took 8,000 tickets and 125 boxes on commission, formed teams of nine (naturally) to hawk them and offered prizes to the fastest sellers in each New York borough. They draped the ballpark in the decor and ceremony of their suffrage parades and rallies. Weeks before the game, Mrs. Norman de R. Whitehouse, head of the “votes for women baseball committee,” presented the Giants with a beriboned bat made of yellow wood and inscribed with “Vote for Woman Suffrage November 2, 1915,” according to the New York Tribune. “Larry McLean has promised to use it the first time he goes in to pinch hit,” the story said. The line was an inside-baseball joke. McLean was a bruising 6-foot-5 catcher with a taste for corn whiskey who, days after the suffrage game, would be kicked off the team for brawling with Giants manager John McGraw in the

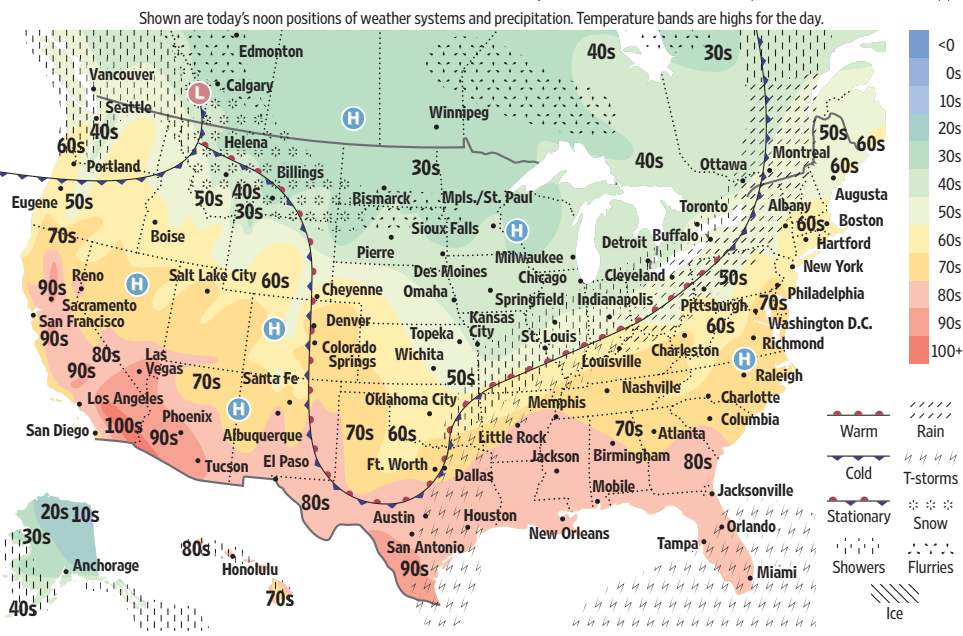
lobby of a St. Louis hotel. Despite boasting some influential supporters, women’s suffrage faced stiff opposition. In 1915, the Women’s Anti-Suffrage Association of Massachusetts distributed a booklet with the Boston Braves’ and Red Sox’ schedules and “some nutshell anti-suffrage arguments,” according to the Berkshire (Mass.) County Eagle. Numerous attempts to pass the women’s vote in individual states failed, including a 1915 effort in New York that pre-

They draped the ballpark in the decor and ceremony of their suffrage rallies.

ceded its passage two years later. Even the athletes that suffragists cheered in that celebrated New York game were against them. According to the New York Tribune, “a poll of the Giants showed that the baseball players were almost unanimous in their opposition to votes for women.” Suffragists nonetheless made their mark on the game. The seed of their baseball campaign might have been planted several years earlier as New York songwriter Jack Norworth carried on an affair. The object of his affection was vaudeville star Trixie Friganza, whom he was seeing in the spring of 1908, when he spotted inside a

subway car a sign reading, “Ball Game Today—Polo Grounds.” Inspired, he wrote a rousing tune in waltz time, copyrighted it and published song books with Friganza’s photo on the cover. Friganza also was a high-profile suffragist. That’s according to George Boziwick, retired chief of the Music Division of The New York Public Library for the Performing Arts at Lincoln Center, who curated a 2008 library exhibit on 100 years of baseball music. Norworth’s song features a baseball-mad character named Katie Casey, who spurns her boyfriend’s offer to go to a show so she can sit in the stands and “root for the hometown crew.” At the time, it was nearly as unusual for a woman to attend and cheer at a baseball game as it was for her to vote—in the few states that allowed it. But Norworth’s song was a hit, and spawned a wave of copycat tunes about bringing your girl to the ballpark. A few years later, newspaper columns began filling with stories about suffrage-day baseball games. Norworth never said whether Friganza was the inspiration for the Katie Casey character in the song but, Boziwick said, “I think there’s a good likelihood that she is.” The song’s first verse is long forgotten and rarely sung. But the chorus has become so well known, it’s hard to imagine nine innings without it. It begins: “Take me out to the ball game...”

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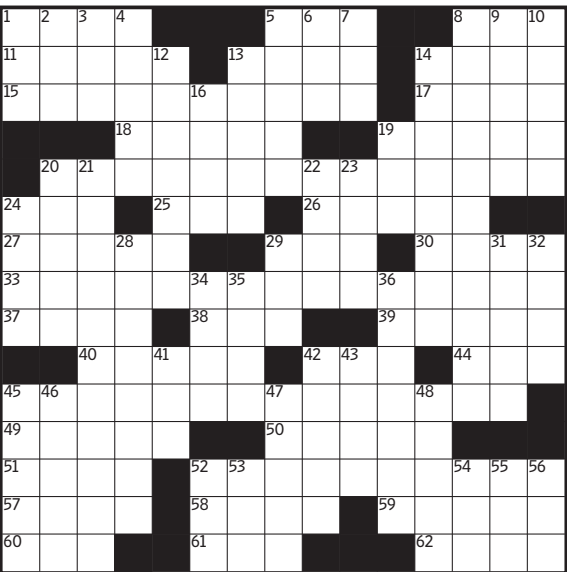
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City	Today			Tomorrow		
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Atlanta	75	57	s	77	63	pc
Austin	87	70	pc	88	68	pc
Baltimore	69	56	pc	76	58	pc
Boise	67	42	c	64	45	pc
Boston	60	50	pc	68	57	pc
Burlington	59	52	r	56	45	r
Charlotte	74	53	pc	79	59	pc
Chicago	48	40	sh	53	47	c
Cleveland	52	47	s	57	54	c
Dallas	72	64	c	83	68	c
Denver	73	48	pc	70	39	pc
Detroit	47	38	sh	54	48	pc
Honolulu	84	76	sh	85	74	sh
Houston	85	70	t	84	70	t
Indianapolis	50	42	sh	61	58	c
Kansas City	48	39	pc	56	44	r
Las Vegas	91	63	s	90	62	s
Little Rock	80	62	t	81	62	pc
Los Angeles	81	61	pc	82	61	pc
Miami	85	78	t	86	78	t
Millwaukee	46	36	c	50	45	c
Minneapolis	41	30	c	38	32	sn
Nashville	78	63	pc	82	61	c
New Orleans	85	73	t	85	72	c
New York City	65	57	c	69	59	c
Oklahoma City	62	50	pc	79	60	c

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Omaha	48	37	pc	52	37	c
Orlando	86	74	t	88	74	t
Philadelphia	70	56	pc	73	59	pc
Phoenix	97	67	s	98	66	s
Pittsburgh	57	53	r	61	56	r
Portland, Maine	59	47	c	63	50	sh
Portland, Ore.	62	49	c	60	47	c
Sacramento	89	53	s	89	53	s
St. Louis	52	43	c	63	56	pc
Salt Lake City	72	48	s	70	47	s
San Francisco	72	55	pc	77	57	pc
Santa Fe	78	40	s	78	40	s
Seattle	59	49	sh	57	46	c
Sioux Falls	42	32	sh	44	33	r
Wash., D.C.	70	58	pc	77	61	pc

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Frankfurt	55	38	pc	60	51	c
Geneva	58	42	pc	64	49	c
Havana	85	73	t	86	73	t
Hong Kong	86	72	s	83	72	pc
Istanbul	66	59	pc	67	60	pc
Jakarta	92	77	t	92	77	t
Jerusalem	82	61	s	80	63	s
Johannesburg	89	64	s	88	60	s
London	58	53	c	64	57	sh
Madrid	76	56	pc	70	60	r
Manila	93	79	t	85	77	t
Melbourne	64	46	pc	66	50	s
Mexico City	76	51	t	76	51	s
Milan	62	47	pc	62	52	pc
Moscow	42	35	pc	39	31	pc
Mumbai	89	80	pc	90	80	t
Paris	58	50	pc	62	58	r
Rio de Janeiro	80	70	pc	82	73	pc
Riyadh	92	64	pc	91	63	pc
Rome	67	47	s	68	49	pc
San Juan	88	76	t	88	75	s
Seoul	69	46	t	71	50	pc
Shanghai	71	60	c	75	63	pc
Singapore	88	79	t	89	79	r
Sydney	67	59	r	69	58	pc
Taipei City	78	73	t	78	75	r
Tokyo	63	58	r	66	58	c
Toronto	50	41	r	52	45	c
Vancouver	56	46	c	54	43	pc
Warsaw	49	36	pc	51	45	c
Zurich	56	35	pc	61	43	c

The WSJ Daily Crossword | Edited by Mike Shenk



ONE FOR THE MONEY | By Amanda Rafkin

- Across**

1 Make a sudden change of course

5 Form of touch that's another form of touch backwards

8 Mammal with membranous wings

11 Chocolate substitute

13 Letter after alpha

14 Rescue

15 Feels warm to the touch, say

17 Shortly, in poems

18 ___ Brothers ("It's Your Thing" singers)

19 Quietly respectable
- 20 Fights with someone

24 Make a blunder

25 Connections

26 McDonald with six Tonys

27 Sites of seclusion

29 Pot cover

30 Entry-level job title part: Abbr.

33 Weighing almost nothing

37 "I cannot tell ___"

38 Spectrum color

39 "I love you," in Spain

40 Respectful refusal

42 Place for a "me day"
- 44 Family

45 Homicide and kidnapping, often

49 Desists

50 Flood-prevention constructions

51 "___ Small World"

52 Spot to stash your cash, and a feature of 15-, 20-, 33- and 45-Across

57 Voucher for money owed

58 One of the Great Lakes

59 "The Three Musketeers" author

60 Documentary filmmaker Burns

Previous Puzzle's Solution

MOCHA	PSA	HORNS
ACHES	THREEPEAT	
START	SIOMENERVIE	
GREYS	WOK	ALLEN
MACARTHUR	WALK	ELLEN
ALOT	RUEPE	ELS
SPA	WEB	RUNG
HOLDIT	REGROW	
ONCE	EAT	EGO
VAC	HATES	AFRO
KIM	SEEKING	GREO
ATTIE	SEA	AURA
PANROASTS	DEITY	
PLUSFOURS	GENRE	
ASSET	POE	ESSEN

The contest answer is KNEE BREECHES. As suggested by the answer PLUS FOURS, reading the four letters around each of the grid's three plus signs spells the contest answer.

OPINION

No Quick Fix for Social Media Bias



INSIDE VIEW
By Andy Kessler

After Twitter’s ban of the New York Post’s scoop on Hunter Biden’s Ukrainian payoffs last Wednesday, CEO Jack Dorsey called his staff’s actions “unacceptable.” Ya think? The timing was especially dumb, as he’s set to appear next week, along with Facebook’s Mark Zuckerberg and Google’s Sundar Pichai, before the Senate Commerce Committee. The topic is Section 230 of the Communications Decency Act, which shields social-media platforms from liability as publishers. Mr. Dorsey just gave his adversaries the fuel to burn his tweet house down.

Except Twitter didn’t do anything illegal. Section 230 protects online forums against being sued for user-posted content on their platforms. But these platforms can also apply “community standards” to remove anything they deem objectionable. You and I have First Amendment rights to say whatever we please (without inciting violence), but these platforms are private companies. They can remove or allow what they want.

That doesn’t mean they should. All rise: The court of public opinion is in session. Sen. Ted Cruz pointed out the hypocrisy of banning the Biden revelations—however questionable or ill-gotten they may be—but allowing the New York Times’s story on Donald

Trump’s leaked tax returns or BuzzFeed’s Steele dossier.

So now Twitter—along with Facebook, which didn’t ban the Biden story but said it was “reducing its distribution”—have drawn a murder hornet’s nest of rebuke, mostly calls for rewriting or repealing Section 230. In a dogpile sandwich, it now seems everybody hates the statute that built the latest version of the internet.

Republicans, led by Sen. Josh Hawley, rightly worry about bias against conservative posts. Mr. Hawley has introduced several bills to rewrite Section 230, and he’s probably not done. House Speaker Nancy Pelosi suggested in April that Section 230’s privileges “could be removed.” And forget Chuck Schumer—even comedian Amy Schumer wants to “Amend CDA 230.”

President Trump tweeted “REPEAL SECTION 230.” This may have been a trick to get Kamala Harris, who said of a vaccine, “if Donald Trump tells us to take it, I’m not taking it,” to be for Section 230. Mr. Trump even signed a toothless executive order against online censorship. Joe Biden told the New York Times that Section 230 should be “revoked, immediately.” Justice Clarence Thomas wrote in a concurring opinion that Section 230’s immunities are too broad.

I’ve had my doubts too. After writing a column against Elizabeth Warren’s and Bernie Sanders’s proposed wealth taxes, my Twitter feed quickly filled with guillotine animations, including one clip with

Alfred Hitchcock. Clever. Even I wanted to sue Twitter.

But no one is thinking through the consequences of mucking with Section 230. It’s like bases being 90 feet apart in baseball—it just works.

First, if we repeal 230, we’ll end up with more censorship. Why? Because if platforms are suddenly liable for everything posted, the knee-jerk reaction

Stripping sites of their liability protection might spur more unfair censorship.

will be to take down everything questionable, leaving us with giant receptacles of Baby Shark videos, which would diminish the channels small businesses use to reach customers. Then, say goodbye to competition. There are hundreds of smaller social media competitors that wouldn’t be able to afford the software, let alone the tens of thousands of humans, to take down posts.

There’s no simple way to “fix” Section 230 either. The feds could require nonpartisan, balanced views. But who decides what’s balanced? We’d be back to where we started. Any fix would open a can of worms of special interests, maybe even a new Digital Diction Department staffed by justice warriors deciding which phrases are no longer acceptable, like “master bedroom” or even “preference.” And then the law would get

larded with special exceptions. The thinking would be, “Let politicians say what they want, for democracy’s sake, but protesters should also get a pass, depending on their grievances.” It would never end.

The only real solution is transparency—hard to legislate, but not impossible. If you have community standards, I want to see them chiseled in stone. Tell us! All Mark Zuckerberg’s flip flops: He was against restricting any political ads until he was for it, and tolerant of Holocaust deniers until he recently decided to ban them. We need transparency on shadow banning (which Twitter has been caught doing) and other restrictions, like the demonetizing Google did to ZeroHedge. Each banning action, like removing doctors’ Covid advice from YouTube, must come with a specific explanation, else leave the post up. If that’s too hard, they don’t deserve billion-dollar valuations.

The genius of Section 230 is that it is vague. It created a set of rules for the sandbox and then let creativity abound. Sure, if a dog gets into the sandbox, you want to clean it up. (I hear sunshine/transparency is a great disinfectant.) By not being specific and leaving it to the sandbox owner, we’ve allowed the interconnection of billions of people in a planetary network where new ideas—some good, some bad—fly around the globe at the speed of light. Don’t screw that up.

Write to kessler@wsj.com.



AMERICAS
By Mary Anastasia O'Grady

A free society is never more at risk than when expectations are rising faster than outcomes. Of all the efforts to explain why Chile is on the cusp of collective political and economic suicide, this truism makes the most sense.

On Oct. 25 Chileans will vote on whether the country needs a new constitution. Polls indicate that the “yes” vote will prevail even as the process of rewriting the highest law in the land is shaping up to be a disaster.

A new constitution is likely to put at risk the model of democratic capitalism that brought Chilean poverty to below 10% in 2018, from nearly 70% in 1990. Chile also had the highest social mobility in a 2018 Organization of Economic Cooperation and Development study of 16 member countries. Why there is popular backing to blow up a system that has delivered so much success is hard to understand.

One clue is the economic sluggishness that Socialist President Michelle Bachelet (2014-18) brought on with higher taxes and heavy regulation. Center-right President Sebastian Piñera hasn’t been able to turn things around. Yet low growth on its own doesn’t explain this radical step.

For sure heavy doses of

Marxist indoctrination at Chilean universities and income “equality” claptrap from intellectuals and the media have tilted the country to the left.

But Alexis de Tocqueville put his finger on something in “Democracy in America,” when he wrote that “the hatred that men bear to privilege increases in proportion as privileges become fewer and less considerable, so that democratic passions would seem to burn most fiercely just when they have least fuel. . . . When all conditions are unequal, no inequality is so great as to offend the eye, whereas the slightest dissimilarity is odious in the midst of general uniformity.”

This rings true in Chile where, as the population has become better off—though damaged by the economic stagnation midwifed by Ms. Bachelet—it has also become angrier. Feelings of well-being and security have waned while the political forest has been piled high with the dry tinder of collectivist idealism.

Many Chileans seem to believe that a new constitution will make things right, à la Hugo Chávez’s Venezuela circa early 2000s. The analogy isn’t perfect but, as Mark Twain observed about history, it rhymes.

The hard left justifies its demand for a new constitution by pointing to Gen. Augusto Pinochet, who ruled the country as a dictator in 1980 when the current constitution was adopted. Yet that constitution established a process for the

return of democracy beginning in 1988. Pinochet handed over power peacefully in 1990.

A string of democratically elected center-left governments up to 2010 amended the constitution to deepen democracy while protecting private property and central-bank independence. Nevertheless militants have convinced Chileans that the source of their unhappiness is the original document.

A new constitution is likely to make the country poorer, more corrupt and less free.

Referendum backers say it is a “democratic” process. It is certainly majoritarian. But Chileans are bound to be disappointed if higher living standards and greater opportunity are the goal. The nation will be lucky if it finishes the exercise on par with the impoverished Argentine welfare state.

It’s a good bet that the new constitution will try to satisfy the populist outcry for social justice by increasing the monopoly power of the state to redistribute wealth. Unless Chileans prove exceptional in their capacity to avoid this temptation, expect a document that reads like a litany of unattainable aspirations.

Former Brazilian President Fernando Henrique Cardoso, hardly a man of the right, warns of the problem in his

2006 memoir, “The Accidental President of Brazil.” As his country emerged from dictatorship in 1987 and its Congress prepared to draft a new constitution, Mr. Cardoso was put in charge of rule-writing. This gave him a front-row seat as the process unfolded. “Every Brazilian interest group imaginable emerged with demands. . . . No matter how ridiculous the request, Congress was never able to turn it down.”

Mr. Cardoso called the privileges enshrined in the final version “absurd,” and not only because Brazil was too poor to deliver on them. It was also “trying to create a welfare state” at the “moment in history when the welfare states of Europe were collapsing.”

In Chile both the left and the right expect to have blocking minorities in the convention, and this is supposed to moderate the outcome. Yet unless the final version also requires two-thirds approval by the convention—a point not yet agreed on—there is a high likelihood that the new constitution will be an incoherent mess.

Things will get even dicier if an agreement is not reached. After all, the left won this referendum after Mr. Piñera failed to contain its violent burning-and-looting rampage unleashed a year ago on the nation. So it is not so much an exercise in civics as it is a surrender to left-wing terrorists who are unlikely to back down because they lose at politics.

Write to O’Grady@wsj.com.

The Hidden Trap in Biden’s Tax Hike

By Andrew G. Biggs

Joe Biden promises not to raise taxes on Americans earning more than \$400,000—but there’s a hitch. It lies in his proposal to apply the Social Security payroll tax to income above that amount.

Social Security is financed by a 12.4% levy on earnings up to \$137,700. Although nearly every developed country caps its pension taxes, progressives grumble that the rich don’t pay enough. Mr. Biden’s Social Security plan, analyzed this month by the progressive-leaning Urban Institute, would retain the \$137,700 payroll-tax ceiling but impose the 12.4% tax on earnings above \$400,000.

This “doughnut hole” would spare the upper middle class from higher taxes. But only temporarily. With each passing year, the doughnut hole shrinks. The payroll-tax ceiling already increases

annually with nominal wage growth. But Mr. Biden’s \$400,000 threshold isn’t indexed. This means that over about three decades the payroll-tax ceiling would be phased out.

High earners would be hit immediately with an effective tax increase of 12.4% of their

The Social Security levy would go up for everyone eventually.

wages. A New York City resident earning \$400,000 would see his effective tax rate rise from 48% of each dollar of additional earnings to more than 60%, exceeding the top marginal rate in nearly every developed country.

But with time and wage growth, the Biden plan would raise the tax for employees earning above \$137,700 by the same 12.4% of income.

The Urban Institute analysis shows that over the long term, the tax increase on employees earning between \$137,700 and \$400,000 accounts for the majority of the plan’s new revenue. We can argue over the definition of “upper middle class,” but these people aren’t millionaires and billionaires.

And for what? The Urban Institute finds that the Biden plan would add only five years to the life of the Social Security trust funds. Social Security would become insolvent in 2040 instead of 2035. Further tax increases would surely be demanded down the road.

How can such a large tax hike do so little for Social Security’s solvency? Nearly two-thirds of the new tax revenue would be spent on expanding benefits rather than fixing the existing financial hole. The Biden plan’s expanded benefits for low-wage workers and widows make sense, but in-

creasing cost-of-living adjustments even for high-income retirees is unnecessary. So is canceling the windfall-elimination provision, a giveaway to public employees who don’t participate in Social Security. In dollar terms, Mr. Biden’s plan would give the richest fifth a 23% greater benefit boost than the poorest fifth.

Levying higher taxes on upper-income households to pay higher benefits to those same households makes little sense when retirement savings and retirement incomes are at record highs. America needs imaginative thinking to secure adequate retirement incomes without eating up all available government resources. This isn’t it.

Mr. Biggs is a resident scholar at the American Enterprise Institute and former principal deputy commissioner of the Social Security Administration.

BOOKSHELF | By Harold Holzer

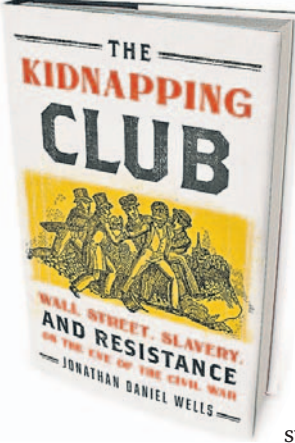
The Gotham Slave Trade

The Kidnapping Club

By Jonathan Daniel Wells
(Bold Type, 354 pages, \$30)

Anyone who has seen the 2013 film “12 Years a Slave”—or read the 1853 Solomon Northup memoir that inspired it—knows that in the decades before the Civil War, free African-Americans could never feel fully at ease in their liberty. At any moment they might be seized and sold away by bounty hunters, with scant hope of regaining their freedom. So it happened that confidence men took Northup in 1841 and shipped him to Louisiana, where he would spend more than a decade in bondage before finally being rescued.

Northup was kidnapped in Washington, D.C., where slavery was still legal and slave auctions operated openly. But as Jonathan Daniel Wells reminds us in “The Kidnapping Club: Wall Street, Slavery, and Resistance on the Eve of the Civil War,” the peril extended northward. Mr. Wells makes a significant contribution to the literature of American slavery with a powerful book rooted in similar abductions, across several generations, in New York City. In an often harrowing



narrative fueled by solid research, the author describes seizures not only tolerated but encouraged by a cartel of inhumanity protected by a ruling Democratic Party that maintained power by stoking immigrant hatred for blacks.

According to law, runaway slaves were indeed subject to capture and return—right up to the Civil War—but Mr. Wells shows that the New York episodes were long conducted by an outlaw element within municipal law enforcement, validated by a racist judicial system and encouraged by what

he describes as an amoral business community eager to demonstrate its pro-slavery bona fides to Southern customers. If Mr. Wells does not quite prove his indictment against “Wall Street,” he certainly demonstrates that commercial interests ignored these abuses.

Much has been written about Northern acquiescence in Southern slavery. Until now, the scholarship has focused mainly on institutional complicity by banks, insurance companies and shipping concerns that together ballasted the South’s principal export—cotton—even if it meant turning a blind eye to the slave labor that harvested it. Mr. Wells, a history professor who specializes in Afro-American studies at the University of Michigan, takes a fresh, bottom-up approach, detailing horrific, unjustified seizures that provoked little objection from Gotham’s establishment. Capitalism had always tolerated captivity, Mr. Wells argues, especially in the South, but there was not only malignant apathy in the North but outright defiance of federal laws that made slavery illegal above the Missouri Compromise line, and the trans-Atlantic slave trade unlawful everywhere.

Mr. Wells offers wrenching case studies from two successive eras. In 1830s Manhattan, runaway slaves were relentlessly hunted down and returned to bondage for a fee. By the 1850s, such seizures took on more official status under the Fugitive Slave Act, “creating confusion and chaos,” Mr. Wells points out, “that only added to the disquiet felt by Black New Yorkers.” The city also tolerated the occasional arrival of slave ships and did little to squash a slave-trading enterprise known as the Portuguese Company, which masterminded the illegal transport of captured Africans to Cuba from a Pearl Street storefront masquerading as a wine importer’s shop.

Neither restricted by geography nor restrained by law, the practice of slavery made its way deep into New York’s business community.

Mr. Wells describes a vigorous resistance, too. As residents vanished, New York’s abolitionist community—among them free African-Americans whose defiance came at huge personal risk—fought back, advocating security for local blacks and an end to slavery nationwide. The extraordinary character who dominates the early chapters of the book is David Ruggles, who founded the nation’s first black-owned bookstore in what is now Tribeca and led the Committee of Vigilance, which alerted blacks to impending roundups and organized their legal defense. He endured beatings and arrests, defying the relentless human bloodhounds who pursued free African-Americans. It was Ruggles who came up with the “New York Kidnapping Club” sobriquet that Mr. Wells adopted for the title of his book.

Mr. Wells brings the kidnapping gang to life, too: Tobias Boudinot, a renegade police officer who specialized in hunting down blacks for reward money; Fontaine Pettis, an attorney who advertised in Southern newspapers that he would round up runaways for a fee; and Richard Riker, the city recorder (and municipal judge) who dependably and unapologetically ruled against the rights of kidnapped free blacks. As Riker once boasted to a slave-catcher: “Tell your southern citizens that we Northern Judges damn the Abolitionists.”

The individual kidnapping stories retain their ability to shock. Seven-year-old Henry Scott is seized from an African Free School on Duane Street, sending frightened classmates scurrying for their lives. Abraham Gosley is misidentified as an escaped slave named Jesse, yet Riker ignores black witnesses who testify to his true identity and orders him “back” into bondage in Maryland. Hester Jane Carr quits her New York job as a domestic in search of higher pay, then travels to Virginia with a white woman who sells her for \$750. Carr contests the betrayal but never regains her freedom, dying in jail at age 21. And in an episode reflecting the complex brutality of the slave system, there is John Lockley. The black family man is awakened one night by a North Carolina plantation owner (with a policeman at his side), who claims Lockley is not only his long-lost slave, but also his cousin, descended from a white relative who had raped a slave. Lockley, too, is ushered out of the city. As Mr. Wells reminds us, for black New Yorkers “a knock on the door in the middle of the night could be deadly.”

These stories are so poignant, the outcomes so monstrous, that they require no narrative flourishes, and Mr. Wells’s workmanlike prose creates an almost clinical mood that perfectly suits what amounts to a grim forensic accounting of both abuse and acquiescence. Mr. Wells persuasively demonstrates that the inhumanity of slavery was neither restricted by geography nor restrained by law. Slavery poisoned all of American culture and exacted a devastating toll on black New Yorkers while members of the original Kidnapping Club lived out their days unmolested.

Mr. Holzer, the director of Hunter College’s Roosevelt House, is the author, most recently, of “The Presidents vs. the Press.”

OPINION

REVIEW & OUTLOOK

The Cost of Bidenomics

Joe Biden has shrewdly kept the campaign focus on Covid-19 and President Trump, which has helped him avoid having to talk much about his own policies. That’s especially true of his economic proposals, which a new study out Sunday from the Hoover Institution shows will have a damaging impact on growth, job creation and household income.

Mr. Biden often cites Moody’s, the credit-rating service, for saying his economic plan will yield faster growth and more jobs. “Wall Street,” he likes to say when he mentions Moody’s, as if that’s a conservative stamp of approval, even as he claims Mr. Trump is a captive of Wall Street.

But everyone knows most economists at today’s big financial institutions have a Keynesian bias that posits consumer demand and government spending as the main drivers of growth. That’s certainly true at Moody’s, whose chief economist is Mark Zandi, who in our view underestimates the impact of higher tax rates and regulation in his economic calculations. This isn’t a personal criticism, but a factual statement about his economic model.

We are also not predicting a “depression,” as Mr. Trump does, if Mr. Biden wins the election. On dire economic predictions, Mr. Trump is the mirror image of Paul Krugman on the left. The data show that the U.S. economy is recovering from the pandemic shutdowns faster than most economists predicted. Democrats may attempt to portray the economy as a disaster that requires trillions of dollars in new spending, but Mr. Biden would inherit an economy with strong growth momentum.

The housing market is booming, small-business sentiment is bullish, and manufacturing is on the rebound. Once a Covid-19 vaccine is approved, and better therapies become more widely available, the economy should take off as even Democratic governors ease their lockdowns. The service economy will revive as Americans feel safer, and the Federal Reserve will keep interest rates low as long as it can get away with it. Mr. Biden could do nothing and inherit a boom in 2021 and 2022.

The issue is whether Mr. Biden’s policies will nurture this strong recovery, or slow it down as Barack Obama’s policies did after the 2009 recession. This is where the Hoover study comes in, as it examines the Democrat’s proposals on health insurance, taxes, energy and regulation. The authors are economists Timothy Fitzgerald, Kevin Hassett, Cody Kallen and Casey Mulligan. Messrs. Hassett and Mulligan were members of the Council of Economic Advisers in the Trump White House, but then the boosters of Bidenomics are veterans of the Clinton-Obama Administrations.

Mr. Hassett has done pioneering work on the impact of corporate taxation and Mr. Mulligan of the University of Chicago on the impact of government subsidies that raise the marginal tax-rate barriers as workers try to climb the economic ladder. The 50-page Hoover study is valuable because it examines policies for their incentive and supply-side effects, rather than merely macroeconomic demand-side spending.

Overall, the authors estimate that the Biden

agenda, if fully implemented, would reduce full-time equivalent employment per person by about 3%, the capital stock per person by some 15%, and real GDP per capita by more than 8%. Compared to Congressional Budget Office estimates for these variables in 2030, this means there would be 4.9 million fewer working Americans, \$2.6 trillion less in GDP, and \$6,500 less in median household income.

The analytical details are especially helpful on energy costs and the “labor wedge” against hiring that have received little attention. Mr. Biden denies he supports the Green New Deal, but his plans to promote electric vehicles and phase out fossil fuels go far beyond anything Mr. Obama proposed.

To take only one example, the electrification of most passenger cars would increase the per capita demand for electric power by 25% even as more than 70% of baseline electric power from fossil fuels would go offline. Bridging this supply-demand gulf would require enormous subsidies and far more investment and labor to achieve the same energy output. Mr. Biden’s energy plans would cut total factor productivity by 1%-2% across the entire economy.

Or consider Mr. Biden’s expansion of the Affordable Care Act and Medicare for those above age 60 (versus 65 now). These subsidies affect the incentive to work, and the authors estimate the ACA changes would increase the average marginal tax rate on labor by 2.4 percentage points. That’s nearly half as much as the six percentage points from the original ACA, which is part of the explanation for the agonizingly slow labor recovery in the Obama era.

Mr. Biden is also proposing substantial increases in business tax rates that will raise the cost of capital. The former Vice President likes to say he’d only raise the top corporate tax rate to 28% from 21%. But so-called pass-through entities (often small businesses) employ more than 40 million Americans, and most pay taxes at the individual tax rate.

“Biden’s plan to raise personal income and payroll tax rates would push their federal rates from below 40 percent to, often, above 50 percent, and these are on top of state income taxes,” the authors write.

Mr. Biden would also raise capital costs by phasing down bonus depreciation in the 2017 tax reform, and he’d raise labor costs by imposing the 12.4% Social Security payroll tax to income above \$400,000. The \$400,000 threshold isn’t indexed for inflation so it would apply to evermore Americans as the years go by.

There is much more in the Hoover study, especially on the costs of returning to Obama-style regulation. Most of the media will ignore it, which is why we thought we’d provide readers with more than usual detail.

The risk from Joe Biden’s policies isn’t that they will send the economy reeling right away. The problem is that they will have a long-term corrosive impact by raising the cost of capital, reducing the incentive to work and invest, and reducing productivity across the economy. Americans will pay the price in a lower standard of living than they otherwise would—and that they deserve.

trace plan, but the real hold up is her demand for hundreds of billions for Democratic states and public unions.

The mystery at this stage is why Mr. Trump won’t take no for an answer. A last-minute spending blowout won’t change the presidential race, and it won’t help the economy in time for the election and

not much after that. Agreeing to Mrs. Pelosi’s terms of surrender would divide Senate Republicans and might hurt their chances of keeping a majority. A Trump Presidency with Democratic House and Senate majorities would be a very ugly four years.

George W. Bush presciently refused to seek a seat on the council when it was created in 2006, and Barack Obama had little to show for years of involvement. The Trump Administration tried to overhaul membership requirements to avoid embarrassments like last week’s. The U.S. withdrew in 2018 after its reform push failed.

Then-U.S. Ambassador to the U.N. Nikki Haley noted the council’s “disproportionate focus and unending hostility toward Israel is clear proof that the council is motivated by political bias, not by human rights.” The organization condemned Israel 85 times between 2006 and 2019, United Nations Watch data show. That’s more condemnations than of Algeria, Belarus, China, Eritrea, Iran, Libya, North Korea, Pakistan, Qatar, Russia, Saudi Arabia, Somalia, Sudan, Syria, Turkey, Venezuela and Zimbabwe—combined.

Joe Biden tweeted in May that “Trump’s international failures have cleared a path for Cuba to join the UN Human Rights Council.” Mr. Biden’s memory may be foggy, because Cuba was elected to the body in 2009, 2013 and 2016 while he was Vice President. Mr. Biden said last year he would rejoin the Human Rights Council.

LETTERS TO THE EDITOR

Who’s on That Cross of Gold This November?

William A. Glaston’s excellent historical overview of the 1896 election (“Trump’s ‘Cross of Gold’ Moment,” Politics & Ideas, Oct. 14) misses two important points.

First, William Jennings Bryan was seen by many voters as an anarchist who was bent on tearing down the national economic and social structure. This allowed Republicans to contrast him with William McKinley. In 2020 Joe Biden is seen by many voters as the candidate of anarchy and destruction.

Second, the “Panic of 1893” had brought the U.S.—and the world—to a standstill. Bryan was seen as far too extreme by those Americans in struggling households when jobs were precious and money was being hoarded in tin cans buried in the backyard. Vice President Biden’s contrarian leftist solutions for the current crisis—starting with additional Covid-19 lockdowns—don’t engender voter or business confidence in his leadership.

Within 18 months of the 1896 Republican victory, Bryan’s doomsday predictions of a nation crucified on a cross of gold melted away. Real gold discoveries in the Yukon and Alaska, and a war with Spain, created jobs and put money back into

circulation. Republicans seized the initiative: McKinley won a second term in 1900, running against a much-diminished Bryan. But in a tragic twist of irony, the popular president would be assassinated by a self-proclaimed anarchist.

STEVE HITES
Skagway, Alaska

Mr. Galston has it backward. He mentions the realigning election of 1896 between Republican William McKinley and Democrat William Jennings Bryan, who championed the interest of debtors over creditors in his famous “Cross of Gold” speech when he talked about burning down cities. This sounds a lot like the Democratic Party today, yet Mr. Galston pins this description on President Trump? He goes on to say that Bryan’s rhetoric drove swing voters into the arms of the Republican Party which resulted in the Republicans controlling the White House for most of the next three decades. Let’s hope that all this talk about free college, free health care, defunding the police and all the inner-city mayhem drives swing voters to the Republican Party again.

JOHN PAUL MAYE
Great Falls, Va.

Illinois and California Taxing Unto Oblivion

Regarding your editorial “Congrats, Illinois, You’ll Be 47th!” (Oct. 13): I hope Illinois voters won’t be conned into voting in a progressive income tax which will move Illinois from No. 36 to No. 47 down the state competitiveness scale. The competition for the least competitive state is fierce and will be won by California if voters approve a measure, Proposition 15, supported by the state’s public-employee unions that allows a split roll to continually reassess commercial property in the state. Then California will be the victor with the highest income, sales, gas and property taxes in the country, which should move California solidly into the No. 50, least competitive, spot.

Admittedly, our unfunded public-employee-pension deficit isn’t as bad as that of Illinois and Chicago. However, California is working very hard at underfunding pensions and not enacting pension and tax reform. The

legacy of the bullet train debacle and collective bargaining by public employees has assured that we will always be a top contender for the least competitive state in the union.

GEORGE ORFF
Laguna Beach, Calif.

Voters in Illinois only need look to California to see their progressive tax future. In 2019 California’s 8% bracket kicked in at \$91,500 in income for married couples filing jointly, rising to 9.3% at \$115,600. This reaches deeply into “middle class” two-earner families. The ugly truth is that there simply are not enough “wealthy” taxpayers to dig Illinois (or California) out of the state’s massive public-debt hole, even if they don’t leave. In the end, middle-income voters will pay the lion’s share.

R. MARK SAROYAN, M.D.
Palos Verdes, Calif.

Demonstrations Are OK But Public Worship Is Not?

Regarding your editorial “A Jewish Revolt Against Lockdowns” (Oct. 10): New York Mayor Bill de Blasio’s mistreatment of the Haredi Jewish community illustrates how the progressive left has adopted the ideology of protest (e.g., BLM “demonstrations”) as its new religion, “more important” and more privileged as Mayor de Blasio says than (traditional) religious services. Such a double standard clearly violates the First Amendment’s protection of the “free exercise” of religion. If gatherings are to be restricted to a limited number of people or to a specified maximum “percentage occupancy,” the limits must be blind to the nature of the gathering—whether organized by a church or synagogue, a mob or the government. That means that the law must be applied equally to Yom Kippur services, political protests and events like John Lewis’s funeral.

STANLEY SPATZ
Hollywood, Fla.

Arabella Advisors Says It Is Nonpartisan, Has No Agenda

Your editorial “Sheldon Whitehouse Does Glenn Beck” (Oct. 14) includes an inaccurate representation of Arabella Advisors that should be clarified. The editorial says: “Arabella funds a variety of left-wing political groups that in turn fund Democrats.” Arabella Advisors is neither a donor to political groups nor a partisan organization. We are a consulting business that supports effective philanthropy and impact investing. We do this by providing strategy advice and operational support to hundreds of clients whose interests range from finding cures to diseases to supporting organizations rooted in their religious faith to addressing injustices through public education and policy change. We work in response to client demand; we do not determine how our clients use their resources. We also do not pursue a particular ideology. We help our clients achieve philanthropic effectiveness, and we begin with the assumption that solutions to the challenges our society faces can come from concerned people with very different ideological and political viewpoints.

STEVE SAMPSON
Arabella Advisors
Washington

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What if Those Ivy-League Justices Recuse Themselves?

William McGurn suggests that Judge Amy Coney Barrett’s appointment to the Supreme Court will yield 5-4 or 6-3 decisions against Harvard and Yale’s admission policies (“Amy Coney Barrett and the Ivies,” Main Street, Oct. 13). Perhaps, if the cases can be combined, each of the other eight justices will consider the debt of gratitude they owe their respective alma maters to at least create the appearance of a conflict of interest, sufficient to require their recusal from any case regarding the admission policies of those two universities.

Then the decision could be 1-0 with Justice Barrett writing the unanimous decision in whatever way she decides the law requires.

MICHAEL KLEIN
Chicago

Amazon Embarrasses Itself By Cancelling Shelby Steele

Regarding your editorial “Amazon Cancels Shelby Steele” (Oct. 15): Years ago, Shelby Steele popped up on my radar as an expert narrator in Ken Burns’s groundbreaking “The Civil War.” I found his commentary illuminating and eye opening, even though I had assumed I was knowledgeable about the status of black Americans. For Amazon to eliminate Mr. Steele’s “What Killed Michael Brown” automatically renders Amazon’s video program useless as a forum for an honest evaluation of race in America. Shame on you, Amazon, stick to selling merchandise, and stop censoring valid and real differences in a complex issue.

MARY BOUCHER
Concord, N.H.

Pepper ... And Salt

THE WALL STREET JOURNAL



“OK, get comfy. It’s time for your TED talk.”

OPINION

Remember the Forgotten Man?

By Jason De Sena Trennert

After the initial shock of Donald Trump’s 2016 victory wore off, a few thoughtful people across the ideological spectrum attempted to wrap their heads around what happened. How did a brash, sometimes crude political neophyte beat everyone from Jeb Bush to Hillary Clinton at their own game on the world’s largest stage? Those more prone to introspection and self-awareness than denial and vindictiveness came to the conclusion that the country’s political and media elites had forgotten about the plight of the “average” American—the so-called Forgotten Man.

Elites’ curiosity about the motivations and mindset of Trump voters was notably short-lived.

The term, first coined by Yale social scientist William Graham Sumner (1840-1910), was used to describe the American who, too poor to have political influence and too rich to be considered worthy of a helping hand, was often taken for granted by the political classes. As Sumner so aptly noted, “he works, he votes, generally he prays—but he always pays.”

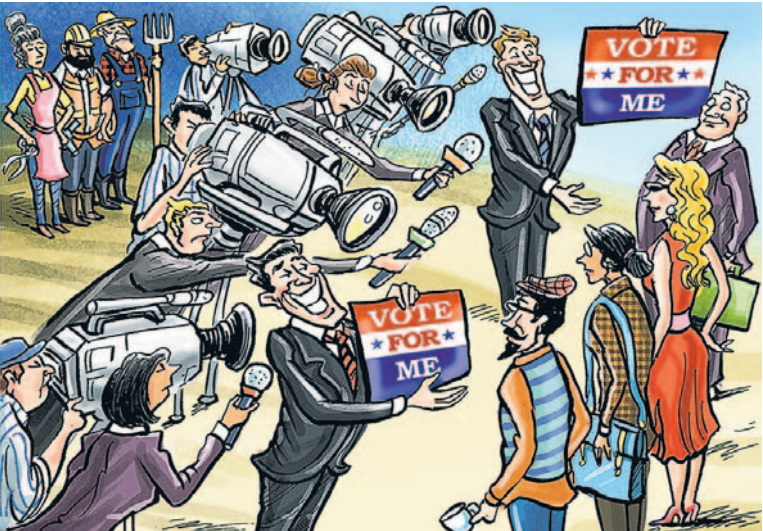
There was a post-2016 awakening

among those who realized they had ignored a big part of the country—the one that lives far from the corridors of power and the bright lights of cable television studios. Those who hadn’t read J.D. Vance’s “Hillbilly Elegy” before the election rushed to buy a copy. For a while, everyone seemed to understand the hidden pain of those in the so-called Rust Belt of the American Midwest who had paid the highest price for 50 years of social engineering at home and abroad.

The costs of trade and immigration policies that favored big business were most often felt by the working class in “flyover country.” These policy changes came at a pace so rapid that people had little chance to adapt. Those same families sent their sons and daughters to fight in far off wars with few obvious connections to the national interest.

Those who complained were either ignored or deemed xenophobic racists and “deplorable.” How dare they question the collective wisdom of highly educated experts? Never mind that those experts bore almost no consequences for the disastrous effects of their policies. To my knowledge, no politician, university professor, news anchor, military officer, or Wall Street titan has ever seen his job outsourced to a foreign land.

For a while, the coastal elites made some attempt to empathize with those who don’t define themselves primarily as victims. But the



effort to understand how and why President Trump won didn’t last very long. They may have died the day Mr. Trump fired James Comey as director of the Federal Bureau of Investigation—a direct hit on an established and entrenched political elite. Mr. Comey’s abrupt dismissal seemed to represent an existential threat to the order of things in Washington and New York. Instantly, the validity of Mr. Trump’s arguments on major issues like trade, immigration and foreign entanglements took a back seat to efforts to destroy him. The Forgotten Man was forgotten again, almost as quickly as he had been remembered.

Four years later we are in the

midst of a global pandemic that has reordered society again to the detriment of the little guy. Small businesses and their employees must follow the dictates of state and local governments without any assurances about their economic future. Those who can’t work from home see the pandemic as far more than an inconvenience. Debates over trade and immigration have been sidelined in favor of debates over lockdowns and masks, yet Democrats and Republicans alike are finally starting to realize that China was never the good-faith economic partner it was supposed to become when it was granted membership in the World Trade Organization.

Many more forgotten men and

women are also wondering about the costs of lockdowns imposed by a political elite largely insulated from their consequences. The lockdowns’ loudest cheerleaders work in jobs that are easily done from the safety and comfort of home. Pundits and politicians are unlikely ever to need unemployment benefits, or to watch a family business built over generations get wiped out in a matter of months. The forgotten men and women are also wondering why they get so little respect, as customers, from wealthy athletes, television commentators and celebrities who are quick to lecture them about their alleged moral failings, sometimes ascribed to them simply because of the color of their skin.

As Henry David Thoreau wrote, most men lead lives of quiet desperation. We worry about paying our bills, keeping our kids happy and out of trouble, preserving our property, and protecting our families. Most of us don’t have ambitions greater than living free from want and fear. Most don’t want a European vacation or an apartment in San Francisco. We just want the freedom to say what we think and to worship as we choose. It is remarkable how many in power have forgotten the lessons of the upset of 2016, and the people who made it possible.

Mr. Trennert is chairman of Strategas, an investment-strategy, economic and policy research firm.

Why the U.N. Is Making a Mockery of Human Rights

By Aaron Rhodes

China, Cuba, Pakistan, Russia and Uzbekistan—all notorious for abusing human rights—were among the 14 states elected to the United Nations Human Rights Council on Oct. 13, bringing the proportion of nondemocratic states on the world’s top human rights-promoting body to 60%. Cuba received 170 votes, or 88%, in the secret-ballot General Assembly vote.

But the Human Rights Council’s problem isn’t simply the presence of bad actors. The real issue is the intrinsic moral relativism embedded in any all-inclusive, multilateral human-rights system.

Human-rights organizations have denounced the predictable result: an ineffectual body that gives cover to authoritarian states. Observers say that one key fault lies with the council’s rules apportioning membership on the basis of regional groups. Critics complain that members of these groups conspire to nominate only as many candidates as can be elected (in the recent election, there were 16 candidates for 15 seats). This practice makes elections mostly noncompetitive and is “undermining” the council’s “credibil-

ity” and “effectiveness,” in the words of Human Rights Watch.

Also, U.N. members are accused of ignoring criteria for election to the council when they vote. According to U.N. General Assembly Resolution 60/251, which established the council, membership “shall be open to all States,” but “when electing members of the Council, Member States shall take into account the contribution of candidates to the promotion and protection of human rights.”

These criticisms reflect a naive denial of international realpolitik and the deep-rooted dysfunction of international human-rights institutions. The key to protecting human rights, transnational progressives argue, lies in adhering to the “rules-based international order.” But that is exactly what produced a Human Rights Council dominated by human-rights abusers.

As a Chinese government propagandist observed, the election results reflected “the will of the global community.” Why shouldn’t unfree states be expected to work together to place themselves and like-minded regimes on a body that defines their legitimacy to their citizens and the world? Roland Gomez, who serves

as president of the council, noted that its legitimacy derives from its diversity, and expressed satisfaction that, with installation of the new cohort, a majority of U.N. members will have served on the body.

As for election criteria, all those newly elected members can fairly claim to have met the necessary standards of Resolution 60/251, according to the U.N.’s own inflated

A body built on the moral relativism inherent to any all-inclusive, multilateral system is bound to fail.

and politicized definitions. They all regularly brag about being “democratic,” about having constitutions that nominally guarantee freedoms, about protecting various economic and social human rights, and about services to vulnerable groups. When their records have been reviewed in U.N. forums, they have all been widely praised for upholding human rights, often by leading democracies hoping praise will make them improve.

When China’s human-rights record was last examined, the delegation cited economic growth as evidence of human-rights compliance and described concentration camps where as many as three million Muslims are incarcerated as “vocational skills education and training institutions.” At the end of the meeting, Beijing was loudly applauded, and Chinese diplomats praised the meeting format as one based on a cooperative, nonselective and nonconfrontational approach.

The international community is getting exactly what it paid for in the Human Rights Council. It is a body operating according to the rules of multilateralism: inclusivity, imposed and regulated diversity, and equality among nations. These rules may be appropriate for governing international cooperation aimed at addressing specific policy problems like environmental protection, public health and poverty relief.

But when applied to protecting basic political freedoms, they are a recipe for the kind of toxic hypocrisy seen in the council’s election and, more generally, for irresponsibility, bureaucratic paralysis, compromised principles and techno-

cratic dissociation from the immediacy of life under tyrannies. Meaningful action to protect human rights is rare, and the collectivist approach, which disdains unilateralism, keeps forceful sovereign responses at bay. Human-rights-denying regimes have thus come to understand that multilateral human-rights institutions work in their favor.

Human rights cannot be subjected to a multilateral definition and consensus and survive intact as a moral principle. In the internationalist era, free and democratic states have conflated the universality of human rights with universal entitlement to membership in human-rights bodies. Democracies that defend liberty must recover their unilateral sovereignty—politically and philosophically—if they want to promote the universality of human rights and defend the growing number of victims denied them.

Mr. Rhodes is president of the Forum for Religious Freedom-Europe and author of “The Debasement of Human Rights.” He was executive director of the International Helsinki Federation for Human Rights, 1993-2007.

Where Do I Go to Get My Covid Antibody Cocktail?

By Scott Gottlieb
And Mark McClellan

Covid researchers are racing the clock. They’ve made enormous progress on therapies and vaccines, but they aren’t far enough along to arrest the current surge of Covid infections as winter approaches. One of the biggest challenges is making sure the new treatments reach the patients who need them most.

The most immediate opportunity comes from antibody drugs that can be used both as treatment and prophylaxis. President Trump and former New Jersey Gov. Chris Christie both recovered after they received antibody combinations when their symptoms were worsening. These medications are likely to be most effective when used before or soon after symptoms begin.

The Food and Drug Administration is reviewing evidence for the emergency authorization of these drugs, aiming to get them to Covid

patients before they need to be hospitalized. We recently wrote on these pages about some important steps to ensure an adequate supply. Available medicine will need to be used wisely on the patients who need it most.

There are also practical challenges of administering these medicines intravenously and under medical supervision. Sending Covid patients to infusion clinics is a bad option, since those facilities are full of cancer patients and others with suppressed immune systems who may be at serious risk if infected.

The federal government is working on a system to control distribution, essentially sending limited supplies to states in proportion to their expected eligible patients. Governors would allocate the drugs to hospitals, as happened with the antiviral drug remdesivir.

This will require collaboration from states and hospitals in setting up special administration sites. Such sites might include emergency de-

partments. But when Covid strikes a metropolitan area, stressed emergency wards may not have the space. Moreover, ideally the antibody drug would be given to patients who aren’t yet very sick. Healthy patients are often reluctant to take infused drugs, which feel riskier than swallowing pills. Having to spend three hours at a hospital will make that perception worse.

A more flexible approach would include modular sites or conversions of other hospital spaces. Health-care providers have also substantially expanded home infusion capabilities during the pandemic. It might be possible to treat some Covid patients at home, staffed by medical professionals trained to handle the small risk of allergic reactions. The FDA would need to authorize the drugs for delivery in home settings. The risk of managing reactions to the drug must be weighed against the risks that patients will avoid the hospital and forgo the therapy altogether.

A related issue is payment. Even if the antibody drug is free for patients, providers need reimbursement for the substantial costs of administering the drug, especially if the goal is flexibility of location. The usual methods won’t work.

Researchers are making quick progress, but we need infusion sites and new models for payment.

In Medicare, for example, the administration fee is typically a percentage of the drug price, which can run into the hundreds or thousands of dollars, with proportionally big copayments for patients. There have been efforts to change this approach. The Trump administration and others have proposed that Medicare move toward a flat fee per dose or encourage special-

ized centers to compete on the cost and quality of providing complex medications. There is likely strong bipartisan legislative support for fixing this problem for Covid. But such a solution seems unlikely to come together quickly.

Medicare has the authority to try “demonstration programs” on new payment approaches if there’s reason to believe that such a method can reduce Medicare costs without compromising quality or access to care, or increase quality without raising costs. Covid antibody drugs are suited to this authority.

Medicare could provide a payment that accounts for the special conditions of infusing drugs in Covid patients, without copayments for the duration of the public-health emergency. The payment should include the cost of providing data to a registry. If the limited supply of these drugs prevents hospitalizations and other expensive Covid complications, this approach would reduce costs and improve outcomes. Data from such a demonstration could inform Covid care and pave the way for future payment reforms.

It isn’t yet clear how well the antibody drugs will work. But there’s a lot of potential. As new cases surge, it’s essential to take steps now to make sure that safe and effective drugs will be available to patients who need them.

Dr. Gottlieb is a resident fellow at the American Enterprise Institute and was commissioner of the Food and Drug Administration, 2017-19. Dr. McClellan is the director of the Duke-Margolis Center for Health Policy at Duke University and was FDA commissioner, 2002-04. Dr. Gottlieb serves on the boards of Pfizer and Illumina and Dr. McClellan on the boards of Johnson and Johnson and Cigna; each company is involved in aspects of the Covid response.

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WALL STREET JOURNAL MANAGEMENT:

Joseph B. Vincent, Operations; Larry L. Hoffman, Production

EDITORIAL AND CORPORATE HEADQUARTERS:

1211 Avenue of the Americas, New York, N.Y., 10036

Telephone 1-800-DOWJONES

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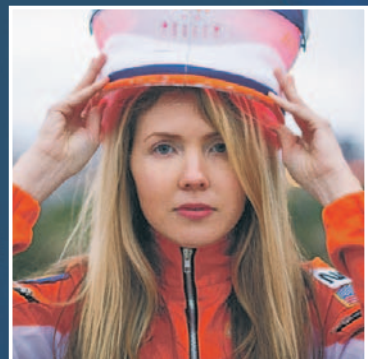
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Tech’s Sway Over Markets Nears Record

S&P weight on pace to pass ‘99 peak; sector’s profit growth allays concerns over bubble

By AMRITH RAMKUMAR

Technology companies are set to end the year with their greatest share of the stock market yet, topping a dot-com era peak in the latest illustration of their growing influence on global consumers.

Companies that do everything from manufacturing phones to operating social-media platforms now account for nearly 40% of the S&P 500, on pace to eclipse a record of 37% from 1999, according to a Dow Jones Market Data analysis of annual market-value data going back 30 years. **Apple Inc.**, which earlier this year became the first U.S. company to hit a \$2 trillion market capitalization, accounts for more than 7% of the index on its own. Early last month, it accounted for 8% of the S&P, the largest share ever for any stock in data going back to 1998.

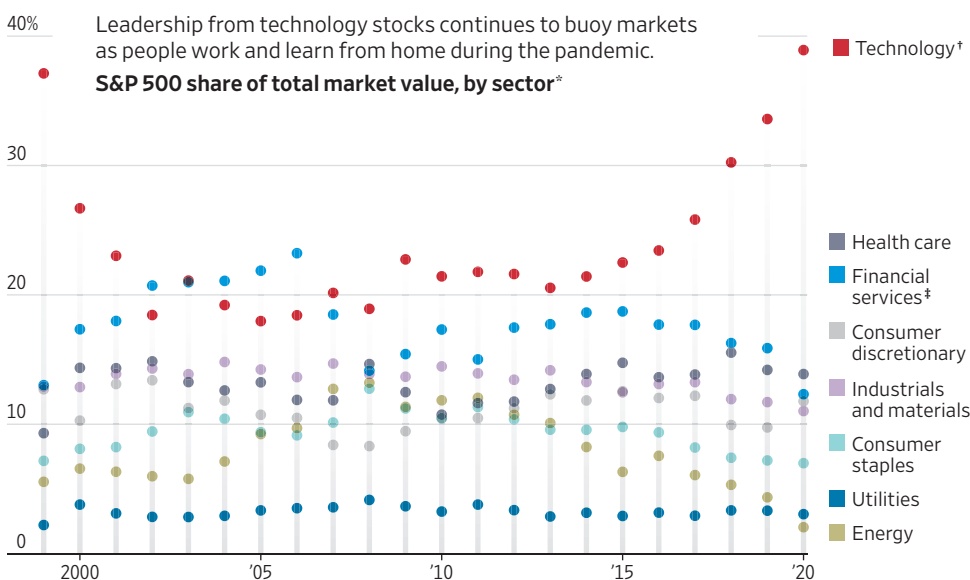
Despite a recent pullback in popular tech stocks like **Apple** and **Netflix Inc.**, many of these

companies still number among the market’s leaders for 2020, powering the S&P 500 to a nearly 8% gain for the year and keeping it near record highs during the coronavirus-induced economic slowdown. Tech stocks lifted markets early this past week before dragging them down later, highlighting their sway over the major stock indexes.

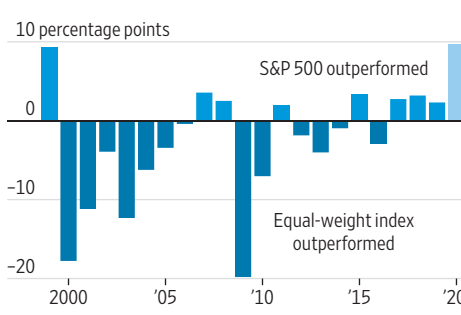
Trends like remote work and cloud computing are driving growth at these firms, helping tech companies expand their businesses when many are struggling. Yet the concentration of gains in a narrow group of companies concerns many investors, who worry that stocks are too dependent on the sector and that a significant pullback in a few names could bring down markets.

Previous peaks in a sector’s influence over the S&P 500 have preceded selloffs. The tech sector tumbled after the dot-com bubble burst. Banks’ influence over markets peaked in 2006 ahead of the financial crisis, and energy stocks slid after hitting a new high in their share of the index in 2008.

Few analysts say tech stocks are as overvalued as



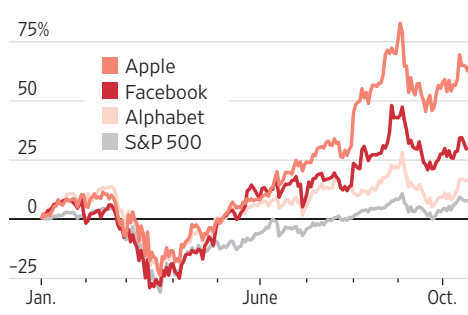
Annual difference between S&P 500 performance and S&P 500 equal weight index



*Data for 2020 are as of Friday. †Includes information technology and communication services ‡Includes real estate **Through Friday

Source: Dow Jones Market Data via FactSet

Share-price and index performance, year to date



they were two decades ago, with sturdy earnings growth and near-zero interest rates justifying much of the group’s recent ascent. But many investors are bracing for more volatility in a sector that has risen remarkably quickly and pulled the rest of the market along with it.

“We’ve had a mandated digital lifestyle,” said Alison Por-

ter, a portfolio manager focused on the sector at Janus Henderson Investors. She remains confident in the biggest technology companies because of their reliable growth and prominence with people staying home during the pandemic.

Investors this week will monitor the next round of third-quarter earnings from companies including **Netflix**, as

well as the latest figures on weekly jobless claims, to gauge the health of the economy.

Because Congress hasn’t passed additional stimulus measures, many traders remain hesitant to favor parts of the market that are more directly tied to economic growth. That also held true throughout the slow but

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PERSONAL TECHNOLOGY | By John D. Stoll

Peloton Bike+ Gives Gyms a Run for Their Money



If there is a winner in American corporations’ grueling Tour de Pandemic, **Peloton** would be it.

As we endured month upon month of quarantine, the word “Peloton” became as ubiquitous to in-home exercise gadgets as Kleenex is to tissue. For those who can afford them, stationary cycles and treadmills that pipe live-streamed classes into our liv-

ing rooms are a godsend during lockdown.

Peloton enjoyed a 172% revenue increase between April 1 and June 30 compared with a year earlier and posted its first quarterly profit. By July, its order backlog built to \$230 million, or more than 100,000 bikes. The company’s \$38 billion stock-market valuation makes it worth more than Ford Motor Co.

To celebrate, Peloton launched a product called Bike+. This \$2,495 machine is

a nod to the future of in-home fitness, where smart exercise gear is more versatile, offers every class you’d get at the gym and is capable of interacting with users in real time.

At first glance, the Bike+ looks nearly identical to the standard Peloton bike. Introduced in 2014, the original can now be had for \$1,895. I’ve put several miles on both models over the past year: Both burn just as many calories and produce just as much sweat.

If I bend the math a certain

way, putting the Bike+ in my home office costs less than a gym membership I’m struggling to utilize. But, I’ve really got to be limber, since working out with Peloton instructors and tracking your metrics require a \$39-a-month “all-access” subscription.

Health-club fees are all over the board—from Planet Fitness’s \$10 a month to potentially hundreds for Equinox. But these gyms require us to leave our bunkers, lowering their current appeal. Peloton

is making good use of the stay-home status quo to get people comfortable with pricing plans that were difficult to digest in normal times.

Meanwhile, introducing a more expensive bike with added bells and whistles allows the company to cut the price of the entry model, setting up a two-tier system that reinforces this notion of affordability.

Tom Cortese, a Peloton co-founder and its chief operating officer, says the company

Please turn to page B4

Utilities Wage Battle Over Charging Stations

By REBECCA ELLIOTT

Electric vehicles are widely seen as the automobile industry’s future, but a battle is unfolding in states across America over who should control the charging stations that could gradually replace fuel pumps.

From **Exelon Corp.** to Southern California Edison, utilities have sought regulatory approval to invest millions of dollars in upgrading their infrastructure to prepare for charging and, in some cases, to own and operate chargers.

The proposals are sparking concerns from consumer advocates about higher electric rates and oil companies about subsidizing rivals. They are also drawing opposition from startups that say the suc-

cessors to gas stations should be open to private competition, not controlled by monopoly utilities.

That debate is playing out in regulatory commissions throughout the U.S. as states and utilities promote wider adoption of electric vehicles. At stake are charging infrastructure investments expected to total more than \$13 billion over the next five years, according to energy consulting firm Wood Mackenzie. That would cover roughly 3.2 million charging outlets.

Calvin Butler Jr., who leads Exelon’s utilities business, said many states have grown more open to the idea of utilities becoming bigger players in charging as electric vehicles have

Please turn to page B4

New iPhones Kick Off Fight for 5G Users

By DREW FITZGERALD AND TIM HIGGINS

Smartphone shoppers might be slow to notice how **Apple Inc.’s** new 5G-enabled iPhones improve on the internet connections older models use, but cellphone carriers are working overtime to make them see it.

AT&T Inc., **Verizon Communications Inc.** and **T-Mobile US Inc.** all used this week’s iPhone unveiling as an opportunity to entice customers who might not yet understand or care about the fifth-generation cellular standard. The four new iPhone models come equipped with the technology, which moves information over the air more quickly and in greater volumes than before.

The ad campaigns are driven by economics as much as technology. Most Americans own a smartphone or two, so customer additions usually come at a competitor’s expense. The three big mobile network operators started building their 5G networks differently, offering them a rare chance to hawk something unique—even if they can’t yet deliver the speed and consistency the new technology promises.

“The networks are different for the first time,” said Cliff Maldonado, principal analyst at BayStreet Research. “5G is the perfect time to justify switching carriers.”

Verizon, which has long relied on its No. 1 market-share position and reach, started 5G installations in cities and is playing catch-up in rural ar-



Workers install 5G equipment on a T-Mobile US tower in Texas.

ea. T-Mobile, a relatively small urban carrier a decade ago, is the second-largest U.S. provider and is touting its rural 5G expansion. And AT&T, not known for discounting, this week introduced aggressive savings offers that mimicked some of the language in old T-Mobile ads.

Each provider is leaning on 5G to gain an edge as customers buy new phones. Phone switching is the most common time for carriers to gain or lose a subscriber.

A fight for customers among carriers would benefit Apple by putting even greater attention on the device. Apple investors are betting the arrival of the iPhone 12 will reverse recent trends for the company, which saw unit sales peak in its 2015 fiscal year with the first large-screen version.

Investors have pushed the company’s market value to \$2

trillion on the belief that the new technology, which is designed to improve the quality of video chats, online games and nascent features such as augmented reality, will motivate customers to upgrade.

T-Mobile US, historically quick to offer deep discounts, focused instead this week on the speed and accessibility of its 5G network. The Bellevue, Wash., carrier beefed up its system with assets acquired from Sprint earlier this year.

T-Mobile technology chief Neville Ray said Verizon’s early investments in faster millimeter-wave service, which typically covers very small areas, will disappoint Verizon customers who “have to go on a treasure hunt to find those 5G speeds.”

Verizon on Tuesday expanded its list of areas covered by those high-frequency signals, which support the fastest downloads on the market but rarely travel beyond a few hundred yards. The carrier relies more heavily than its rivals on “dynamic spectrum sharing” to spread that coverage outside those hot spots.

Using spectrum-sharing technology lets network operators mix older, 4G signals with new, 5G transmissions within the same radio channel. It’s a trade-off that improves coverage at the expense of ultrafast download speeds.

The importance of the U.S. market was on display Tuesday when Verizon Chief Executive Hans Vestberg joined Apple executives to promote the new

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LODGING

The world’s biggest hotel chains snap up distressed properties in Africa. **B3**



HEARD ON THE STREET

Daimler results will set a tough pace for the industry to follow. **B10**

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Gulfport Skips a Payment

By COLIN KELLAHER

Gulfport Energy Corp. on Friday said it skipped an interest payment due last week on its 6% senior unsecured notes due 2024 while it holds talks with its lenders and other stakeholders on a comprehensive financial restructuring to bolster its balance sheet and financial position.

The Oklahoma City oil-and-gas producer said it has a 30-day grace period to make the payment, which was due Thursday, and avoid a default.

Gulfport said it has executed a forbearance agreement with the lenders under its 2013 credit agreement, and it said the borrowing base on

the agreement has been reduced to \$580 million from \$700 million as a result of a redetermination last week.

Gulfport in August warned that it might be unable to stay in business if it can't refinance debt coming due next year.

A price rout stoked by the coronavirus pandemic has driven dozens of energy companies into bankruptcy amid reduced demand for fossil fuels.

Analysts have said more than 200 shale companies may file for bankruptcy over the next two years if energy prices remain low.

The company's shares closed Friday at 27 cents, down 8.7%.

Carriers Jockey for 5G Users

Continued from page B1

devices. The U.S. iPhone 12 models are the only Apple handsets that support millimeter-wave traffic.

Verizon consumer chief Ronan Dunne said the frequencies will only enhance the basic 5G service available to customers nationwide. The millimeter-wave service only comes included with the carrier's premium rate plan, though Mr. Dunne said all 5G phones will have improved connections on Verizon's network.

AT&T's top offer to customers focused on price. A promotion publicized Tuesday offered new and existing customers a free iPhone if they use an un-

limited-data plan and trade in certain older smartphones.

The Dallas company's pitch said the deals were "uncomplicating wireless" upgrades, echoing the "uncarrier" events that were once a mainstay of T-Mobile's ad campaigns. Similar offers applied to new Samsung phones.

The costly promotion—the iPhone 12 Pro Max model sells for \$1,099 in the U.S.—still benefits AT&T by giving subscribers a reason to stick with the service while the carrier covers their installment payments over 30 months. It also helps the media-and-telecom company bolt on more products, such as its HBO Max streaming service, to customers' plans. The AT&T promotion could apply to up to 25 million customers, said Roger Entner of telecom researcher Recon Analytics Inc.

T-Mobile responded Wednesday with several promotions, including up to \$500 off new iPhone 12 models for

certain customers. Verizon headlined Tuesday's Apple event with its own free iPhone offer for some new customers and deep discounts for existing subscribers.

The discounts carry hidden costs: Each offer steers customers toward carriers' more-expensive unlimited-data plans. The approach is reminiscent of the old subsidy model that fueled the iPhone's rise more than a decade ago, when providers regularly covered the cost of new Apple devices in exchange for two years or more of reliable revenue from customers under contract.

Phone-sales momentum slowed in recent years as customers in many markets wait longer to upgrade their smartphones.

Wave7 Research analyst Jeff Moore said those older iPhones and Android phones could provide pent-up demand for something new, but it won't be 5G technology opening the floodgates.

BUSINESS & FINANCE

U.S. Offers Loans for Telecom Gear

By STU WOO

The U.S. government is embarking on a push to persuade developing countries to shun Chinese telecommunications equipment, offering financial assistance to use alternatives that Washington says are safer and have fewer strings attached.

The U.S. is ready to offer loans and other financing, potentially valued at billions of dollars in total, to countries to buy hardware from suppliers in democratic countries rather than from China, said Bonnie Glick, the deputy administrator at the U.S. Agency for International Development, which is spearheading the effort.

The agency, better known for providing food assistance, will dispatch staff to meet politicians and regulators in the developing world, she said, aiming to persuade them that using telecom equipment from two Chinese giants, **Huawei Technologies Co.** and **ZTE Corp.**, is a bad idea.

The offer of financial assistance represents a new tool Washington is deploying as it broadens the tech Cold War with China. The Trump administration has been trying to curb Chinese technological advances over what it says are concerns about spying and trade practices.

Washington for two years has lobbied allies to join the U.S. in banning Chinese-made equipment for networks using 5G wireless technology, which promises superfast speeds to enable driverless vehicles, more efficient factories and other innovations.

U.S. officials say the Chinese government could order Huawei and ZTE to spy or conduct cyberattacks, a scenario that the companies and Beijing say would never happen.

The U.S. campaign initially focused on 5G deployments in Europe, where it has had some success, including in Britain and Poland. Other countries, notably Germany, are still debating whether to restrict or ban Chinese-made equipment.



In Africa, Chinese equipment makers dominate the market. A Huawei mural in Lusaka, Zambia.

The U.S. may face a bigger challenge in the developing world. In Africa, Chinese wireless-equipment makers dominate the market. Price-sensitive carriers flocked to Huawei and ZTE, which held a combined 50% to 60% share of sales in Africa and the Middle East earlier this year, according to research firm Dell'Oro Group. And U.S. officials say they appear outnumbered by Chinese counterparts offering developing countries too-good-to-resist loans.

The U.S. effort to curb China's tech ambitions has grown into a multiagency effort. The Commerce Department has imposed export controls on some U.S. technology to China needed to make advanced telecom equipment and semiconductors. The State Department has instructed its diplomats to lobby allies to shun Huawei and ZTE gear.

USAID this month signed an agreement with the Federal Communications Commission to jointly counter 5G deployments using Chinese equipment in developing countries, combining the FCC's technical and policy expertise and the aid agency's network of 10,000 em-

ployees in about 100 countries.

Ms. Glick said the messages to developing countries will hit two themes: Chinese equipment is vulnerable to espionage, and the loans that Chinese finance agencies such as the state-controlled China Development Bank offer that finance the equipment can trap them.

"There's a lot of fine print," Ms. Glick said. "Countries are left in a tremendous amount of debt, and China takes over control of national assets," she

The aim is to draw developing countries away from Huawei and ZTE equipment.

said. She said USAID representatives will bring up examples, such as that of an indebted South Asian government selling a port to a Chinese state-owned entity.

The Chinese government has said it would take measures in response to U.S. actions. The China Development Bank, China's largest international fi-

nance institution, didn't respond to requests to comment.

USAID wouldn't provide loans itself but would work through U.S. financing agencies such as the U.S. International Development Finance Corp. DFC can give direct equity loans and has about half its \$60 billion investment capital remaining, a spokesman said, though such financing also goes toward nontelecom deals. Another agency, the U.S. Export-Import Bank, said a new China-focused initiative allows it to finance deals with terms and rates competitive with Chinese agencies.

Because the U.S. lacks a major wireless-equipment maker to furnish the 5G equipment, Washington would plan to finance deals with the big ones outside China: Finland's Nokia Corp., Sweden's Ericsson AB and South Korea's Samsung Electronics Co. USAID may also support smaller American companies in the early stages of developing open-standard 5G technology, Ms. Glick said.

Nokia, Ericsson and Samsung declined to publicly comment on the U.S. effort.

—Elizabeth Koh in Seoul contributed to this article.

CORPORATE WATCH

VOLKSWAGEN

Trucking Division To Buy Navistar

Volkswagen AG's trucking unit Traton Group agreed to buy the rest of **Navistar International Corp.** in a deal that values the Lisle, Ill., maker of trucks and buses at more than \$4.4 billion.

The agreement was made after Traton, which owns a 16.7% stake in Navistar, raised its offer to buy the remaining shares to \$44.50 each, up from its earlier offers of \$43 and \$35.

Navistar said the deal has the support of its two largest shareholders. Its biggest owner is investor Carl Icahn, according to data from FactSet. Shares of Navistar rose 23% Friday.

—Mauro Orru

SCHLUMBERGER

Energy-Services Firm Posts \$82 Million Loss

Schlumberger Ltd. reported a loss and declining revenue in the latest quarter, as the pandemic continued to hamper oil demand.

Chief Executive Olivier Le Peuch said Friday that energy producers are asking the oil-field-



Navistar was valued at \$4.4 billion in a deal. A truck at one of its plants.

services company to be ready to mobilize equipment and not cut its operational capacity too deeply, in case energy demand rebounds faster than anticipated.

The comments came as Schlumberger logged a third-quarter loss of \$82 million, or 6 cents a share, compared with a loss of \$11.4 billion, or \$8.22 a share, a year earlier. Its 2019 third-quarter results included impairments and other expenses of \$12.69 billion. Revenue fell to \$5.26 billion from \$8.54 billion a year earlier. Production revenue

declined 43% year over year.

—Matt Grossman

VF CORP.

North Face Parent Reports Sales Drop

VF Corp., the parent of Vans and the North Face, said its profit and sales for the September quarter fell because of the continued effects of Covid-19 restrictions, though it notched gains in China and digital sales.

The company on Friday

posted a profit of \$256.7 million, or 66 cents a share, compared with \$649 million, or \$1.61 a share, a year earlier. Sales fell 18% to \$2.61 billion. It had expected sales to fall less than 25%. VF benefited from online sales, with direct-to-consumer digital revenue rising 44%. International sales fell 15%, but sales in the Greater China region rose 16%.

—Dave Sebastian

FRONTIER COMMUNICATIONS

Restructuring Plan Gets Key Approval

Frontier Communications Corp., which filed for bankruptcy in April, said it got approval from the New York Public Service Commission for its chapter 11 restructuring.

The high-speed internet company on Friday said it has received approvals regarding its change-in-control applications from: Arizona, Georgia, Illinois, Minnesota, Nebraska, Nevada, New York, South Carolina, Utah and Virginia. The company said it expects to emerge from chapter 11 in early 2021. It will have reduced its debt by more than \$10 billion when it emerges from bankruptcy, it said.

—Dave Sebastian

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BUSINESS NEWS

American Equity in Deal With Brookfield

By Geoffrey Rogow

American Equity Investment Life Holding Co. on Sunday rejected a takeover offer and instead said it reached a partnership with **Brookfield Asset Management Inc.**

Brookfield will reinsure up to \$10 billion of American Equity's fixed index annuity liabilities and make a 19.9% equity investment at \$37 a share. Shares of American Equity closed Friday at \$32.30.

The decision comes less than three weeks after The Wall Street Journal reported that a pair of insurance companies—Massachusetts Mutual Life Insurance Co. and publicly traded Athene Holding Ltd.—had made a bid for the firm, a bet that the small Iowa insurer's retirement-income products will remain popular with conservative savers.

MassMutual and Athene's cash offer for American Equity had been for \$36 a share. At that price, the bid would amount to a value of more than \$3 billion. Representatives for MassMutual and Athene couldn't immediately be reached for comment.

As part of the agreement, Brookfield will also receive one seat on American Equity's board.

American Equity said it had been in discussions with Brookfield since March as part of the firm's current strategic plans. Among factors behind the decision, the company said, the deal will give American Equity access to Brookfield's higher-returning alternative asset strategies, which are particularly important given the low interest-rate environment.

"This transaction represents a meaningful investment for us in the attractive U.S. insurance market," said Sachin Shah, Brookfield's chief investment officer.

Hotel Chains Push Ahead in Africa

Despite pandemic, big companies snap up distressed properties, seeing growth ahead

By Alexandra Wexler

JOHANNESBURG—Africa's tourism sector has cratered in the face of the coronavirus pandemic, but the world's biggest hotel chains remain committed to the continent.

Major hotel chains, from **Marriott International** to **Radisson Hotel Group** and Paris-based **Accor**, Europe's largest hotel company, say their African businesses are not only holding up, they are determined to stay on track with, if not grow, their footprints. The companies see sub-Saharan Africa as underserved and underdeveloped in terms of hotels and predict that demand for both business and leisure travel will grow once the pandemic abates.

"I haven't heard of anybody that says we aren't interested in Africa anymore," said Trevor Ward, owner of W Hospitality Group, a Lagos, Nigeria-based advisory firm that works across Africa. "The long-term play is fine."

Travel restrictions and social distancing have kept long-haul business and leisure travelers at home, choking a crucial source of revenue for the region. The World Travel and Tourism Council estimates that in a baseline scenario, Africa will lose 10.9 million, or 44%, of its tourism-sector jobs and \$75 billion, or 45%, of its tourism income this year. On a percentage basis, that decline is worse than the Asia-Pacific region and the Americas, though not as bad as Europe.

The collapse of many independent hotels due to Covid-19 has heralded a new phase of consolidation in the lodging industry, in which big chains are taking over and rebranding distressed properties, leading to faster expansion across Africa, hotel chains and analysts say. That is partly because chains



Major chains say their African businesses are holding up. The Radisson Red Hotel in the Silo District in Cape Town, South Africa.

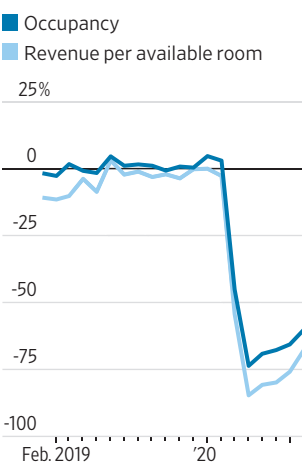
bear little risk or cost when they convert an independent property to their brand, at least compared with building a new property; the converted hotel becomes part of the chain, which collects franchise fees from the hotel's revenue.

The conversion trend is present across emerging markets, but particularly in sub-Saharan Africa, due to a lack of hotels for business travelers in burgeoning hubs like Addis Ababa, Ethiopia, and Abuja, Nigeria.

The expansion of chains is just one slice of Africa's diverse hotel market. Properties outside cities in regions from Zanzibar, Tanzania, to Botswana's Okavango Delta have also taken a huge hit.

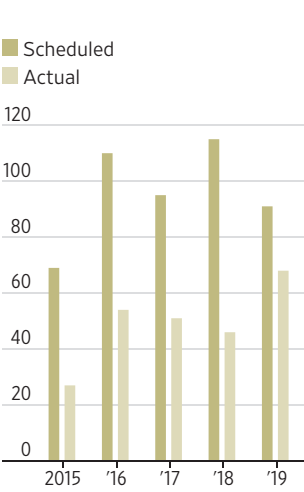
Hilton Worldwide Holdings Inc. Chief Executive Christopher Nassetta called conversions a bright spot for the company during Hilton's August earnings call, even as the chain suffered an 81% decrease in revenue per available room, or RevPAR—the key metric for a hotel's top-line performance, combining room rates with occupancy—during the period.

Occupancy and revenue for hotels in Southern Africa, change from previous year



Sources: STR (occupancy and revenue); W Hospitality Group (hotel openings)

Scheduled and actual hotel openings in Africa



Andrew McLachlan, managing director of development for sub-Saharan Africa at Hilton, which has 25 operational hotels and 41 hotels under development in the region, said the company's interest is sustained partly because the continent's hospitality sector remains underdeveloped in terms of ex-

pected future demand compared with other parts of the world.

"From a development point of view, [the pandemic has] created a different set of opportunities to what was there before," he said.

There is one hotel room for every 92 people in North

America, compared with one hotel room for every 1,496 people in the Middle East and Africa combined, said Patrick Scholes, a managing director of lodging and leisure equity research at Truist Securities in New York. "It's the last remaining untapped continent as far as hotel brands," he said.

Marriott plans to add more than 30 properties and 5,000 rooms across sub-Saharan Africa by 2025, adding to its current portfolio of more than 100 hotels. Radisson has about 50 hotels in 32 countries in sub-Saharan Africa and plans to open 50 more before the end of this year. Accor plans to open 34 hotels—to add to its current footprint of 70—in the next 36 months in sub-Saharan Africa.

Radisson's hotels in Lagos have spent most of this year running at occupancy levels similar to last year's, according to Tim Cordon, area vice president for the Middle East and Africa at Radisson. Those hotels swapped corporate travelers for isolating health-care workers, quarantine arrivals and oil-and-gas workers.



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TECHNOLOGY

Battle Waged on Charging

Continued from page B1

struggled to take off in the U.S., where they make up only around 2% of new car sales.

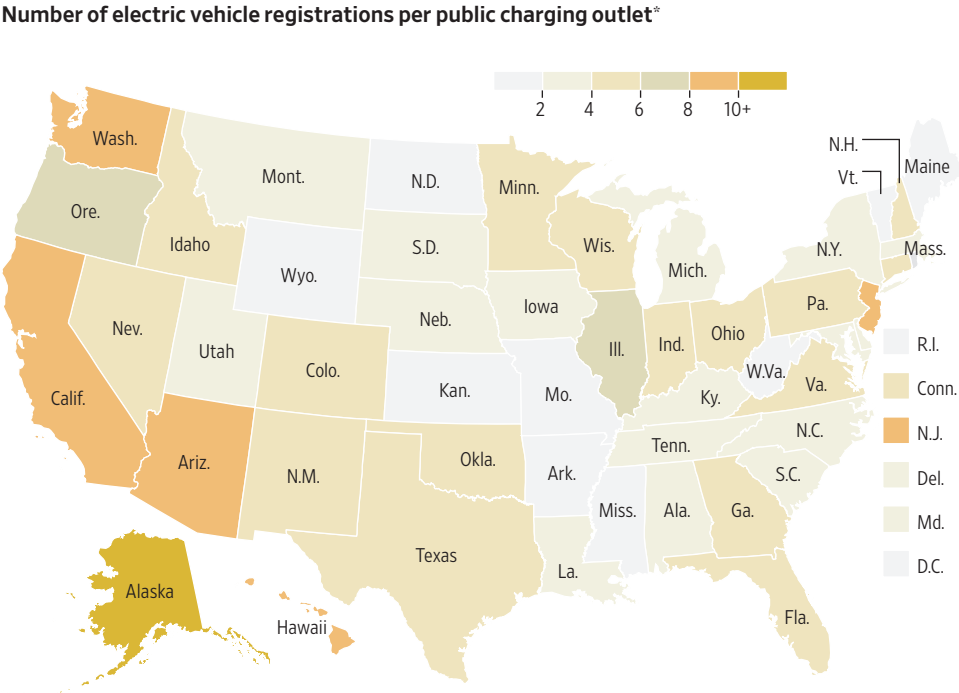
“When the utilities are engaged, there’s quicker adoption because the infrastructure is there,” he said.

Major auto makers including General Motors Co. and Ford Motor Co. are accelerating production of electric vehicles, and a number of states have set ambitious EV goals—most recently California, which aims to ban the sale of new gasoline-powered cars by 2035. But a patchy charging-station network remains a huge impediment to mass EV adoption.

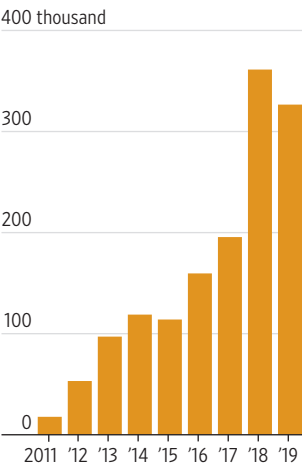
Democratic presidential candidate Joe Biden has called for building more than 500,000 new public charging outlets in a decade as part of his plan to combat climate change. But exactly how that would happen is unclear. The U.S. has fewer than 100,000 public outlets, according to the Energy Department. President Trump, who has weakened federal tailpipe emissions targets, hasn’t put forward an electric-vehicle charging plan, though he backed a 2019 transportation bill that would have provided \$1 billion in grants to build alternative fueling infrastructure, including for electric vehicles.

Charging access varies widely by state, as does utility involvement, which can range from providing rebates on home chargers to preparing sites for public charging—and even owning and operating the equipment needed to juice up electric vehicles.

As of September, regulators in 24 states had signed off on roughly \$2.6 billion of utility investment in transportation electrification, according to Atlas Public Policy, a Washington, D.C., policy firm. More than half

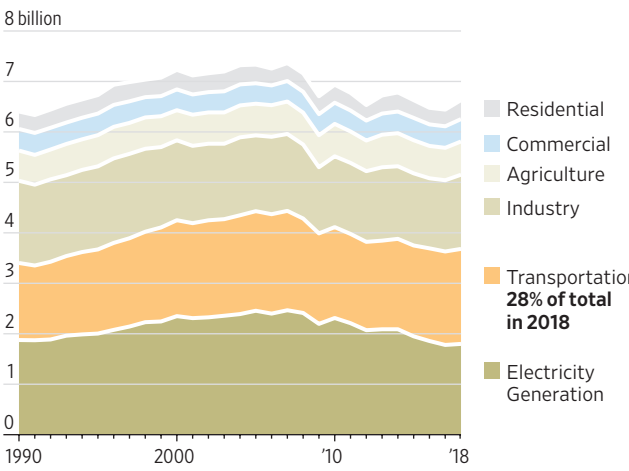


U.S. plug-in electric-vehicle sales



*Only for all-electric vehicles; plug-in hybrid electric vehicles are excluded. Registrations are as of Dec. 2018, charging stations are as of Oct. 6 Sources: National Renewable Energy Laboratory via IHS Markit (registrations); Energy Department (charging stations); Center for Transportation Research at Argonne National Laboratory (sales); Environmental Protection Agency (emissions)

U.S. greenhouse gas emissions by sector, in metric tons of carbon dioxide equivalent



of that spending was authorized in California, where electric vehicle adoption is highest. Nearly a decade ago, California blocked utilities from owning most charging equipment, citing concerns about potentially stifling competition. But the nation’s most populous state reversed course in 2014, seeking to spur electrification.

Regulators across the country have since been wrestling with similar questions, generating a patchwork of rules. Maryland regulators signed off last year on a pilot program allowing subsidiaries of Exelon and FirstEnergy Corp. to own and operate public charging stations on government property, provided that the drivers

who use them cover at least some of the costs. Months later, the District of Columbia rejected an Exelon subsidiary’s request to own public chargers, saying independent charging companies had it covered. Some charging firms argue utilities shouldn’t be given monopolies on car charging,



Consumer advocates raise concerns about higher electric rates.

though they might need to play a role in connecting rural customers and building stations where they would otherwise be uneconomical.

“Maybe the utility should be the supplier of last resort,” said Cathy Zoi, chief executive of charging network EVgo Services LLC, which operates more than 800 charging stations in 34 states.

Utility charging investments generally are expected to raise customers’ electricity bills, at least initially. California recently approved the largest charging program by a single utility to date: a \$436 million initiative by Southern California Edison, an arm of Edison International. The company said it expects the program to increase the average residential customer’s bill by around 50 cents a month.

But utilities and other advocates of electrification point to studies indicating greater EV adoption could help reduce electricity rates over time, by giving utilities more revenue to help cover system upgrades.

Proponents of having utilities build charging networks also argue that they have the scale to do so more quickly, which would lead to faster EV adoption and environmental improvements such as lower greenhouse-gas emissions and cleaner air.

While the investments most directly help EV owners, “they accrue immediate benefits for everyone,” said Jill Anderson, a Southern California Edison se-

nior vice president. Some consumer advocates are wary of approving extensive utility investment in charging, citing the cost to ratepayers.

“It’s like, ‘Pay me now, and maybe someday your rates will be less,’” said Stefanie Brand, who advocates on behalf of ratepayers for the state of New Jersey, where regulators have yet to sign off on any utility proposals to invest in electric vehicle charging. “I don’t think it makes sense to build it hoping that they will come.”

Groups representing oil-and-gas companies, which stand to lose market share as people embrace electric vehicles, also have criticized utility charging proposals.

“These utilities should not be able to use their monopoly power to use all of their customers’ resources to build investments that definitely won’t benefit everybody, and may or may not be economical at this point,” said Derrick Morgan, who leads federal and regulatory affairs at the American Fuel & Petrochemical Manufacturers, a trade organization. Utility executives said their companies have long been used to further government policy objectives deemed to be in the public interest, such as improving energy efficiency.

“This isn’t just about letting market forces work,” said Mike Calviou, senior vice president for strategy and regulation at National Grid PLC’s U.S. division.

Peloton Bike Puts Gyms On Notice

Continued from page B1

ing officer, told me the company doesn’t want to mess up a good thing, so the Bike+ revamp primarily only addresses items that riders wanted improved: The adjustment levers are updated for easier use; cables are better hidden in the bike’s guts; multipiece steel construction has been replaced by single-piece units without bumpy weld marks. “We even made the AC adapter smaller and nicer looking,” Mr. Cortese said. A lot of value is in the Bike+’s 24-inch touch screen. It’s bigger and easier to see than the traditional bike’s 21.5-incher and has a 360-degree swivel feature. Flipping the screen away from the handle bars toward the rest of the room is a hallmark improvement, allowing for easier viewing of yoga classes, weight-training sessions and guided meditation.

I recently took a 30-minute boot-camp class taught by Robin Arzón. The class started with a seven-minute bike ride, then 13 minutes with dumbbells, and then back on the bike for 10. Twirling the screen toward my workout mat and weight bench made the process easier.

The hardest part was what Ms. Arzón called a “Mr. Rogers’s shoe change”—the cumbersome process of unclipping your cycling shoes, then changing into sneakers, then doing the reverse. Bigger front-facing speakers, integrated into the screen, are welcome for those who like it loud like a real cycling studio. There’s also a camera embedded in the Bike+ screen with a “privacy slide” shutter. A new Bike+ feature allows a rider to remotely lock the resistance setting into an instructor’s suggested level. Having this feature means I don’t have to pay constant attention and I don’t have to fiddle with the resistance dial. Unfortunately, it’s currently available only on archived classes, not live rides.

To be fair, much of what comes on a Peloton can be gotten from a few other bikes

on the market. Among the small group of connected-bike competitors is NordicTrack’s \$2,000 S22i Studio Cycle and Echelon’s \$1,600 EX5S.

I’ve taken classes on various connected bikes, and most set a slightly lower bar than Peloton. This isn’t because they’re less challenging; it’s because nothing rivals Peloton instructors, who are as inspiring as they are intimidating. Ms. Arzón is an attorney turned ultramarathoner. Others are national champion cyclists and fitness models.

Peloton has the biggest, and possibly most engaged, community. The company boasts one million “connected fitness” subscribers, about 300,000 more than NordicTrack. Its nearly three dozen instructors teach live classes that can be attended by tens of thousands in real-time or via the archive.

My own stats—such as the record output pace I’ve set in the past—are always in front of me as a target to beat. Peloton’s leaderboard allows me to compete against thousands of other riders, segmenting down to my age group and gender if I want. In Irene Scholz’ Sept. 22 intervals ride, I ranked 10,420 out of 16,814 riders. My rank among a smaller segment of riders—men in their 40s—was slightly more favorable.

The Bike+ can be financed for \$64 a month. (The traditional model can go for \$49 a month.) Add \$39 for the connected membership, and I’m at \$103 a month.

That’s \$18 more than my Life Time Fitness gym membership—which includes more weights, bikes, treadmills, sauna benches and mouthwash than I could ever use.

I talked to Peloton Chief Executive John Foley about the pricing breakdown and he told me to look at this as a family plan rather than an individual one. If my wife and I both worked out with it, the individual cost is \$51.50 a month. If my children started using it regularly, the per-workout cost could get down as low as \$2.

This is an apparent bargain compared with my trips to the gym, which include driving 6 miles and competing for the pool’s lap lanes. I recently did the math on this membership: When I’m fully using it, I pay about \$3.50 a visit. Or, if you want to be really specific, 10 cents per lap.

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CLASS ACTION

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

VANCOUVER ALUMNI ASSET HOLDINGS INC.,
Individually and on Behalf of All Others Similarly Situated,
Plaintiffs,
v.
DAIMLER AG, DIETER ZETSCHKE, BODO UEBBER,
and THOMAS WEBER,
Defendants.

Case No. 16-cv-02942-DSF-KS
Judge: Hon. Dale S. Fischer

MARIA MUNRO, Individually and on Behalf of All
Others Similarly Situated,
Plaintiffs,
v.
DAIMLER AG, DIETER ZETSCHKE, BODO UEBBER,
and THOMAS WEBER,
Defendants.

Case No. 16-cv-03412-DSF-KS

SUMMARY NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED SETTLEMENT,
AND MOTION FOR ATTORNEYS’ FEES AND EXPENSES

TO: ALL PERSONS OR ENTITIES THAT PURCHASED OR OTHERWISE ACQUIRED DAIMLER AMERICAN DEPOSITORY RECEIPTS AND/OR GLOBAL REGISTERED SHARES, IN THE UNITED STATES, DURING THE PERIOD FROM FEBRUARY 22, 2012 THROUGH APRIL 21, 2016, INCLUSIVE, AND WERE ALLEGEDLY DAMAGED THEREBY (“SETTLEMENT CLASS”).

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Central District of California, that Court-appointed Lead Plaintiff, on behalf of itself and all members of the proposed Settlement Class, and Daimler AG (“Daimler” or the “Company”), and Dieter Zetsche, Bodo Uebber, and Thomas Weber (collectively, “Defendants”), have reached a proposed settlement of the claims in the above-captioned class action (the “Action”) in the amount of \$19,000,000 (the “Settlement”).

A hearing will be held before the Honorable Dale S. Fischer, on December 14, 2020 at 1:30 p.m., either in person or telephonically at the Court’s discretion, in Courtroom 7D of the United States District Court for the Central District of California, First Street Courthouse, 350 West 1st Street, Los Angeles, California 90012 (the “Settlement Hearing”) to, among other things, determine whether the Court should: (i) approve the proposed Settlement as fair, reasonable, and adequate; (ii) dismiss the Action with prejudice as provided in the Stipulation and Agreement of Settlement, dated April 20, 2020 and amended by the Parties’ Agreement Regarding Amendments to the Stipulation and Agreement of Settlement, dated September 14, 2020; (iii) approve the proposed Plan of Allocation for distribution of the settlement funds available for distribution to Settlement Class Members (the “Net Settlement Fund”); and (iv) approve Lead Counsel’s Fee and Expense Application. The Court may change the date of the Settlement Hearing, or hold it telephonically, without providing another notice. You do NOT need to attend the Settlement Hearing to receive a distribution from the Net Settlement Fund.

IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS, YOUR RIGHTS WILL BE AFFECTED BY THE PROPOSED SETTLEMENT AND YOU MAY BE ENTITLED TO A MONETARY PAYMENT. If you have not yet received a Notice and Claim Form, you may obtain copies of these documents by visiting the website for the Settlement, www.DaimlerSecuritiesSettlement.com, or by contacting the Claims Administrator at:

Daimler AG Securities Litigation
c/o A.B. Data, Ltd.
P.O. Box 173112
Milwaukee, WI 53217
www.DaimlerSecuritiesSettlement.com and
info@DaimlerSecuritiesSettlement.com
(877) 883-9246

Inquiries, other than requests for the Notice/Claim Form or for information about the status of a claim, may also be made to Lead Counsel:

James W. Johnson Esq.
LABATON SUCHAROW LLP
140 Broadway
New York, NY 10005
www.labaton.com
settlementquestions@labaton.com
(888) 219-6877

If you are a Settlement Class Member, to be eligible to share in the distribution of the Net Settlement Fund, you must submit a Claim Form *postmarked or submitted online no later than December 7, 2020*. If you are a Settlement Class Member and do not timely submit a valid Claim Form, you will not be eligible to share in the distribution of the Net Settlement Fund, but you will nevertheless be bound by all judgments or orders entered by the Court relating to the Settlement, whether favorable or unfavorable.

If you are a Settlement Class Member and wish to exclude yourself from the Settlement Class, you must submit a written request for exclusion in accordance with the instructions set forth in the Notice such that it is *received no later than November 23, 2020*. If you properly exclude yourself from the Settlement Class, you will not be bound by any judgments or orders entered by the Court relating to the Settlement, whether favorable or unfavorable, and you will not be eligible to share in the distribution of the Net Settlement Fund.

Any objections to the proposed Settlement, Lead Counsel’s Fee and Expense Application, and/or the proposed Plan of Allocation must be mailed to counsel for the Parties in accordance with the instructions in the Notice, such that they are *received no later than November 23, 2020*.

PLEASE DO NOT CONTACT THE COURT, DEFENDANTS, OR DEFENDANTS’ COUNSEL REGARDING THIS NOTICE.

DATED: OCTOBER 19, 2020

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

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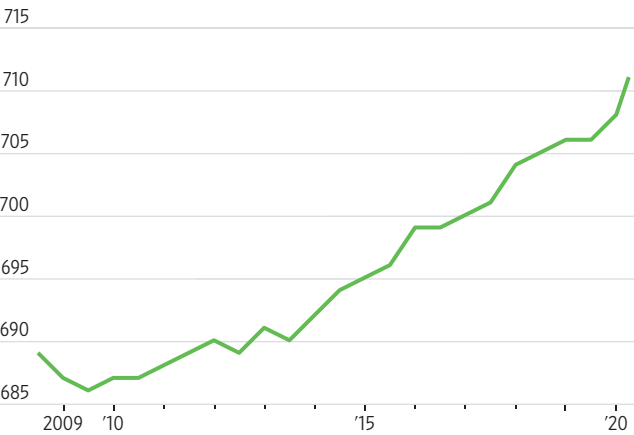
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BUSINESS & FINANCE

Average U.S. FICO score



Source: Fair Isaac Corp.

Credit Scores Rise Amid Crisis

Continued from page B1

begin to sour if Congress doesn't reach a deal on additional aid for the unemployed. "We're afraid that in a couple months there could be real damage to credit reports," said Francis Creighton, chief executive of the Consumer Data Industry Association, which represents credit-reporting firms.

FICO scores, which range from 300 to 850, are calculated using the information in consumers' credit reports, including the ratio of credit-card debt owed to total spending limit, payment history and prior loan applications. They don't take into account employment history or income.

Ethan Dornhelm, vice president of scores and predictive analytics at FICO, said the scores are typically lagging indicators. In the last downturn, credit scores bottomed out at 686 in October 2009—months after the recession officially ended.

"First the macro stress occurs, and then it takes a few months for the strain to show up in people's credit reports," he said. Deferment programs and government stimulus "are having a further effect of pushing out that stress for many people."

What's more, many borrowers' credit profiles appear to have improved in recent months. A decrease in credit-card spending helped lower total outstanding card debt. Government stimulus and lender deferment programs helped borrowers stay current on their debts.

Dee Donnell's credit score was in the low 500s—deep in subprime territory—in February, when she lost her job at a health-insurance company. The 45-year-old used part of her severance to pay off roughly \$10,000 of credit-card debt, which she said was costing her \$600 in minimum monthly payments. She was able to cover her other bills with her remaining severance, savings and her \$1,200 stimulus payment.

In July, Ms. Donnell got a job working in compliance for a startup. Her credit score is now nearly 700.

"Covid forced me to really look at my finances," she said.

Lenders have been tinkering with their underwriting models since the pandemic began, according to senior executives at large banks, in an effort to avoid approving loan applicants who are unemployed and on the verge of running out of government assistance. Some

are also looking to identify existing customers at higher risk of default.

To spot these risks, big banks including **JPMorgan Chase & Co.**, **Bank of America Corp.**, **Wells Fargo & Co.** and **Citigroup Inc.** are seeking to augment credit reports and scores with real-time income or cash-flow data, according to people familiar with the matter.

That involves reviewing their own bank-account data when evaluating certain applicants. Some are weighing using information from other financial institutions. (In most cases, they would need an applicant's permission to use that bank-account data in the underwriting process.)

Lenders are interested in the data to evaluate new loan applicants, specifically, those seeking credit cards and other loans that don't typically require income documentation. Some are also discussing using cash-flow analytics—for example, a lag in deposits indicating a recent layoff—to determine whether to cut existing borrowers' credit lines.

Finicity, a financial-technology company, has been in talks with banks about providing some of this data. "We are convinced that new ways of assessing credit eligibility, like reviewing personal cash-flow data, offer a truer reflection of risk, and many banks are quickly coming around to that idea," said Chief Executive Steve Smith.

Dormant credit-card accounts are seen as particularly risky these days. Lenders are worried customers will reach for them when unemployment runs out, so they are trimming credit lines and closing some accounts altogether. Even customers with credit scores in the mid-700s—generally seen as more creditworthy and eligible for lower interest rates—haven't been spared.

Despite lenders' concerns, there is evidence that Americans are giving priority to debt payments in the pandemic. In a June survey of about 1,300 households, the Federal Reserve Bank of New York found that those who got stimulus payments used 35% of the funds to pay down debt.

Ben Rohrs, 42, was laid off from his job as a technology product manager in March. He and his wife paused their roughly \$5,000 monthly mortgage payment for six months, and used the freed-up funds—plus unemployment and his wife's income—to keep up with their credit-card bills.

Mr. Rohrs started a new job last week. His credit score is close to 830, around where it was in March.

"I just feel really lucky that there was the increased unemployment insurance, and having a mortgage deferral was huge," he said.

SEC Eases Regulations On Auditor Independence

By MARK MAURER

The U.S. Securities and Exchange Commission adopted changes that relax some conflict-of-interest rules for companies and audit firms, making it easier for them to avoid violating auditor independence in certain situations.

The amendment, passed by the SEC on Friday, gives auditors more discretion in assessing conflicts of interest in their relationships with the businesses they audit, in situations such as those involving affiliates of their clients or past lenders. The rule also intends to lessen the burden for companies trying to go public.

The SEC, however, said the changes won't loosen the requirements but rather boost audit quality by increasing the number of qualified audit firms from which a company can choose.

"These modernized auditor

independence requirements will increase investor protection by focusing audit clients, audit committees and auditors on areas that may threaten an auditor's objectivity and impartiality," said SEC Chairman Jay Clayton.

An SEC official said the amendment won't result in any changes to the scope of an audit firm's services or to a company's approach to financial statements.

SEC Commissioners Caroline Crenshaw and Allison Herren Lee opposed the changes, saying they introduce greater opportunity for error and uncertainty and reduce investors' visibility into how auditors make judgments.

The regulator had proposed the revisions last December.

The rule shortens the period during which U.S. companies planning to go public ensure their auditor's independence before an IPO.

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares (as defined below). The Offer (as defined below) is made solely pursuant to the Offer to Purchase dated October 19, 2020 and the related Letter of Transmittal and any amendments or supplements thereto and is being made to all holders of Shares. The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares in any U.S. or foreign jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions where the applicable laws require that the Offer be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of Purchaser (as defined below) by one or more registered brokers or dealers licensed under the laws of such jurisdiction to be designated by Purchaser.

Notice of Offer to Purchase for Cash All Outstanding Shares of Common Stock

of MYOKARDIA, INC. at \$225.00 Net Per Share by GOTHAM MERGER SUB INC. a wholly owned subsidiary of BRISTOL-MYERS SQUIBB COMPANY

Gotham Merger Sub Inc., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of Bristol-Myers Squibb Company, a Delaware corporation ("Parent"), is offering to purchase all outstanding shares of common stock, par value \$0.0001 per share (the "Shares"), of MyoKardia, Inc., a Delaware corporation ("MyoKardia"), at a purchase price of \$225.00 per Share, net to the seller in cash, without interest (the "Offer Price"), and subject to deduction for any required withholding taxes, upon the terms and subject to the conditions set forth in the Offer to Purchase dated October 19, 2020 (as it may be amended or supplemented from time to time, the "Offer to Purchase"), and in the related letter of transmittal (as amended or supplemented from time to time, the "Letter of Transmittal") and which, together with the Offer to Purchase, constitutes the "Offer"). Tendering stockholders whose Shares are registered in their names and who tender directly to Purchaser will not be charged brokerage fees or similar expenses on the sale of Shares for cash pursuant to the Offer. Tendering stockholders whose Shares are registered in the name of their broker, bank or other nominee should consult such nominee to determine if any fees may apply. The Offer is being made pursuant to the Agreement and Plan of Merger, dated as of October 3, 2020 (the "Merger Agreement"), by and among MyoKardia, Parent and Purchaser. Following the consummation of the Offer, and under the terms of the Merger Agreement as described in the Offer to Purchase, Purchaser intends to effect the Merger (defined below) as described below.

THE OFFER AND WITHDRAWAL RIGHTS EXPIRE AT MIDNIGHT (NEW YORK CITY TIME), ONE MINUTE AFTER 11:59 P.M. NEW YORK CITY TIME, ON NOVEMBER 16, 2020, UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.

The Merger Agreement provides, among other things, that as soon as practicable following (but in any event on the same date as) acceptance of the Shares for payment (the "Offer Acceptance Time"), subject to the satisfaction or waiver of the other conditions set forth in the Merger Agreement and in any event no later than one business day following the satisfaction or waiver of such conditions, Purchaser will merge with and into MyoKardia (the "Merger"), with MyoKardia continuing as the surviving corporation and a wholly owned subsidiary of Parent. At the effective time of the Merger, each outstanding Share (other than Shares held by MyoKardia, any of its subsidiaries, Parent, Purchaser or any other subsidiary of Parent, or any stockholders who have properly exercised their appraisal rights under Section 262 of the Delaware General Corporation Law (the "DGCL")) will be converted into the right to receive the Offer Price in cash, without interest and less any required withholding taxes. The Merger is subject to the satisfaction or waiver of certain conditions described in "The Offer—Section 13—The Transaction Documents—The Merger Agreement" of the Offer to Purchase.

If the Offer is consummated, Purchaser does not anticipate seeking the approval of MyoKardia's remaining public stockholders before effecting the Merger. The parties to the Merger Agreement have agreed that, subject to the conditions specified in the Merger Agreement, the Merger will become effective as soon as practicable after the consummation of the Offer, without a vote of MyoKardia stockholders, in accordance with Section 251(h) of the DGCL.

The board of directors of MyoKardia (the "MyoKardia Board"), at a meeting duly called and held, unanimously adopted resolutions (a) determining that the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Offer and the Merger (the "Transactions"), are advisable, fair to and in the best interests of MyoKardia and its stockholders, (b) authorizing and approving the execution, delivery and performance by MyoKardia of the Merger Agreement and the consummation by MyoKardia of the Transactions, (c) resolving that the Merger will be effected under Section 251(h) of the DGCL and that the Merger will be consummated as soon as practicable following the Offer Acceptance Time and (d) recommending that MyoKardia's stockholders accept the Offer and tender their Shares in the Offer. MyoKardia has been advised that all of its directors and executive officers intend to tender all of their transferable Shares pursuant to the Offer.

On the date of the Offer to Purchase, MyoKardia will file its Tender Offer Solicitation/Recommendation Statement on Schedule 14D-9 (the "Schedule 14D-9") with the United States Securities and Exchange Commission (the "SEC") and disseminate the Schedule 14D-9 to MyoKardia stockholders with the Offer to Purchase. The Schedule 14D-9 will include a more complete description of the MyoKardia Board's reasons for authorizing and approving the Merger Agreement and the transactions contemplated thereby and therefore stockholders are encouraged to review the Schedule 14D-9 carefully and in its entirety.

Purchaser will not be required to consummate the Offer if any of the following conditions, among other conditions, exist or have occurred and are continuing at the scheduled Expiration Time (as defined below) of the Offer: (a) the number of Shares validly tendered (and not properly withdrawn) prior to the expiration of the Offer (but excluding Shares tendered pursuant to guaranteed delivery procedures that have not yet been "received", as defined by Section 251(h)(6) of the DGCL), together with the Shares then owned by Parent or Purchaser, does not represent at least one Share more than 50% of the then outstanding Shares (the "Minimum Condition"); (b) any restraint is in effect enjoining, making illegal or otherwise prohibiting consummation of the Offer or the Merger (the "Restraints Condition"); (c) there is an action instituted or pending by a governmental authority of competent jurisdiction seeking any judgment (i) to prevent, prohibit or make illegal the consummation of the Offer or the Merger, (ii) to prohibit Parent's ability to vote, transfer, receive dividends or otherwise exercise full rights of ownership with respect to the stock of MyoKardia or (iii) in connection with the Offer or the Merger, to prohibit, limit, restrain or impair in any material respect Parent's ability to own, control, direct, manage, or operate or to retain or change any material portion of the assets, licenses, operations, rights, product lines, businesses or interests therein of MyoKardia or its subsidiaries or any of the material assets, licenses, operations, rights, product lines, businesses or interests therein of Parent or its subsidiaries (other than, in each case, a Divestiture Action (as defined in the Offer to Purchase) required to be taken by Parent and Purchaser pursuant to the Merger Agreement) (the "Actions Condition"); (d) the waiting period (and any extension thereof) applicable to the consummation of the Offer or the Merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder has neither expired nor has early termination thereof been granted or there is in effect any voluntary agreement between Parent, Purchaser or MyoKardia and the Federal Trade Commission or the Department of Justice pursuant to which Parent, Purchaser or MyoKardia will not consummate the Merger for any period of time (the "Governmental Consents Condition"); (e) there is an inaccuracy in the representations and warranties made by MyoKardia in the Merger Agreement, subject to the materiality and other qualifications set forth in the Merger Agreement; (f) MyoKardia has not complied with or performed in all material respects its obligations required to be complied with or performed by it prior to the scheduled Expiration Time under the Merger Agreement; and (g) since the date of the Merger Agreement there has been a Material Adverse Effect (as defined in the Offer to Purchase) that is continuing as of the scheduled Expiration Time. These and other conditions to the Offer (the "Offer Conditions") are described in Sections 15 and 16 of the Offer to Purchase.

To the extent permitted by law, Purchaser also expressly reserves the exclusive right to (a) increase the Offer Price, (b) waive any of the Offer Conditions other than the Minimum Condition, the Termination Condition (as defined in the Offer to Purchase), the Restraints Condition or the Governmental Consents Condition and (c) make any other changes to the terms and conditions of the Offer not inconsistent with the terms of the Merger Agreement, provided that MyoKardia's consent is required for Purchaser to (i) except in connection with a stock split, recapitalization or other like change with respect to the Shares, decrease the Offer Price, (ii) change the form of consideration payable in the Offer, (iii) decrease the maximum number of Shares sought to be purchased in the Offer, (iv) impose any conditions to the Offer other than the Offer Conditions, (v) amend, modify or supplement any of the Offer Conditions in a manner that adversely affects, or would reasonably be expected to adversely affect, the holders of Shares, (vi) amend, modify or waive the Minimum Condition, the Termination Condition, the Restraints Condition or the Governmental Consents Condition, (vii) extend or otherwise change the expiration date of the Offer, except as described under "—Section 13—The Transaction Documents—The Merger Agreement—Extensions of the Offer" of the Offer to Purchase or (viii) otherwise amend, modify or supplement any of the other terms of the Offer in any manner that adversely affects, or would reasonably be expected to adversely affect, the holders of Shares.

Upon the terms and subject to the conditions of the Offer, Purchaser will accept for payment and pay for all Shares that are validly tendered and not validly withdrawn at or prior to midnight (New York City time), one minute after 11:59 p.m. New York City time, on November 16, 2020 (such initial expiration date and time of the Offer, the "Initial Expiration Time") or, if the Offer has been extended pursuant to and in accordance with the Merger Agreement, the date and time to which the Offer has been so extended (the Initial Expiration Time, or such later expiration date and time to which the Offer has been so extended, the "Expiration Time").

Pursuant to the terms of the Merger Agreement, if, at the then-scheduled Expiration Time, any of the Offer Conditions has not been satisfied or waived by Parent and Purchaser (to the extent such waiver is permitted under the Merger Agreement and applicable law), then (a) Purchaser may, in its sole discretion (and without the consent of MyoKardia or any other person) and (b) upon MyoKardia's written request, Purchaser will, and Parent will cause Purchaser to, extend the Offer on one or more occasions in consecutive increments of up to ten business days each (each such increment to end at 5:00 p.m., New York City time, on the last business day of such increment) in order to permit the satisfaction of such Offer Condition(s), provided, however, that (i) Purchaser will not be required to extend the Offer to a date later than March 3, 2021 (but if as of five business days prior to such date, any of (A) the Restraints Condition (if the restraint relates to an antitrust law), (B) the Actions Conditions (if the action relates to an antitrust law) and (C) the Governmental Consents Condition has not been satisfied or waived (to the extent permitted by the Merger Agreement and applicable law), then Parent or MyoKardia may extend such date to April 2, 2021 (March 3, 2021, or as such date may be so extended, the "Outside Date")) and Purchaser will not be permitted to extend the offer to a date later than the Outside Date without the prior written consent of MyoKardia and (ii) if at any then scheduled expiration of the Offer, all of the Offer Conditions (other than the Minimum Condition and any Offer Conditions that are by their nature to be satisfied at the Offer Acceptance Time) have been satisfied or waived (to the extent permitted by the Merger Agreement and applicable law) and the Minimum Condition has not been satisfied, Purchaser will not be required to (and Parent will not be required to cause Purchaser to) extend the Offer for more than three additional consecutive increments of ten business days (or such shorter periods as may be agreed to by MyoKardia and Purchaser). Purchaser will extend the Offer for the minimum period required by applicable law, interpretation or position of the SEC or its staff or The NASDAQ Global Select Market or its staff. See "The Offer—Section 1—Terms of the Offer" of the Offer to Purchase.

Any extension, termination or amendment of the Offer will be followed as promptly as practicable by a public announcement thereof. In the case of an extension of the Offer, we will make a public announcement of such extension no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Time.

In order to take advantage of the Offer, you must either (a) complete and sign the Letter of Transmittal in accordance with the instructions in the Letter of Transmittal, have your signature guaranteed (if required by Instruction 1 to the Letter of Transmittal), mail or deliver the Letter of Transmittal (or a manually signed facsimile copy) and any other required documents to Equiniti Trust Company, the depositary for the Offer (the "Depositary"), and either deliver the certificates for your Shares along with the Letter of Transmittal to the Depositary or tender your Shares pursuant to the procedures for book-entry transfer set forth in "The Offer—Section 3—Procedures for Tendering Shares" of the Offer to Purchase or (b) request your broker, dealer, commercial bank, trust company or other nominee to effect the transaction for you. If your Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you must contact such broker, dealer, commercial bank, trust company or other nominee to tender your Shares. If you desire to tender your Shares, and certificates evidencing your Shares are not immediately available or you cannot deliver such certificates and all other required documents to the Depositary or you cannot comply with the procedures for book-entry transfer described in "The Offer—Section 3—Procedures for Tendering Shares" of the Offer to Purchase, in each case prior to the Expiration Time, you may tender your Shares by following the procedures for guaranteed delivery set forth in "The Offer—Section 3—Procedures for Tendering Shares" of the Offer to Purchase.

For purposes of the Offer, Purchaser will be deemed to have accepted for payment Shares tendered when, and as if Purchaser gives oral or written notice of Purchaser's acceptance to the Depositary. Purchaser will pay for Shares accepted for payment pursuant to the Offer by deposit of the purchase price thereof with the Depositary, which will act as agent for tendering stockholders for the purpose of receiving payments and transmitting such payments to tendering stockholders. Under no circumstances will Purchaser pay interest on the consideration paid for Shares pursuant to the Offer, regardless of any extension of the Offer or any delay in making such payment.

Except as otherwise provided in "The Offer—Section 4—Withdrawal Rights" of the Offer to Purchase, tenders of Shares made in the Offer are irrevocable. However, you may withdraw some or all of the Shares that you have previously tendered in the Offer at any time before the Expiration Time as explained below.

For your withdrawal to be effective, a written or facsimile transmission notice of withdrawal with respect to the applicable Shares must be timely received by the Depositary at one of its addresses set forth on the back cover of the Offer to Purchase, and the notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of Shares, if different from that of the person who tendered such Shares. If the Shares to be withdrawn have been delivered to the Depositary, a signed notice of withdrawal with (except in the case of Shares tendered by an Eligible Institution (as defined in the Offer to Purchase)) signatures guaranteed by an Eligible Institution must be submitted before the release of such Shares. In addition, such notice must specify, in the case of Shares tendered by delivery of certificates, the serial numbers shown on the specific certificates evidencing the Shares to be withdrawn or, in the case of Shares tendered by book-entry transfer, the name and number of the account at the Book-Entry Transfer Facility (as defined in the Offer to Purchase) to be credited with the withdrawn Shares. Withdrawals may not be rescinded, and Shares withdrawn will thereafter be deemed not validly tendered. However, withdrawn Shares may be retendered at any time before the Expiration Time by again following any of the procedures described in the Offer to Purchase.

Subject to applicable law as applied by a court of competent jurisdiction, Purchaser will determine, in its sole discretion, all questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any tender of Shares, and its determination will be final and binding.

In general, your exchange of Shares for cash pursuant to the Offer will be a taxable transaction for U.S. federal income tax purposes and may also be a taxable transaction under applicable state, local or foreign income or other tax laws. You should consult your tax advisor about the tax consequences to you of exchanging your Shares pursuant to the Offer in light of your particular circumstances. See "The Offer—Section 5—Material U.S. Federal Income Tax Consequences" of the Offer to Purchase for a more detailed summary of the material U.S. Federal income tax consequences of the sale of Shares in the Offer and the Merger.

The information required to be disclosed by paragraph (d)(1) of Rule 14d-6 promulgated under the Exchange Act is contained in the Offer to Purchase and is incorporated herein by reference.

MyoKardia has provided Purchaser with its stockholder list, security position listings and certain other information regarding the beneficial owners of Shares for the purpose of disseminating the Offer to holders of Shares. The Offer to Purchase, the related Letter of Transmittal and other related materials will be mailed to record holders of Shares and will be furnished to brokers, dealers, commercial banks, trust companies and other nominees whose names appear on MyoKardia's stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

The Offer to Purchase and the related Letter of Transmittal contain important information that should be read carefully before any decision is made with respect to the Offer.

Questions and requests for assistance and copies of the Offer to Purchase, the Letter of Transmittal and all other tender offer materials may be directed to the Information Agent, at its address and telephone numbers set forth below and will be furnished promptly at Purchaser's expense. Neither Parent nor Purchaser will pay any fees or commissions to any broker or dealer or any other person (other than to the Information Agent and the Depositary, as described in the Offer to Purchase) in connection with the solicitation of tenders of Shares pursuant to the Offer. Brokers, dealers, commercial banks, trust companies and other nominees will, upon request, be reimbursed by Purchaser for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers.

The Information Agent for the Offer is:

**MACKENZIE
PARTNERS, INC.**

1407 Broadway
New York, New York 10018
(212) 929-5500

OR

CALL TOLL-FREE 1-800-322-2885

Email: tenderoffer@mackenziepartners.com

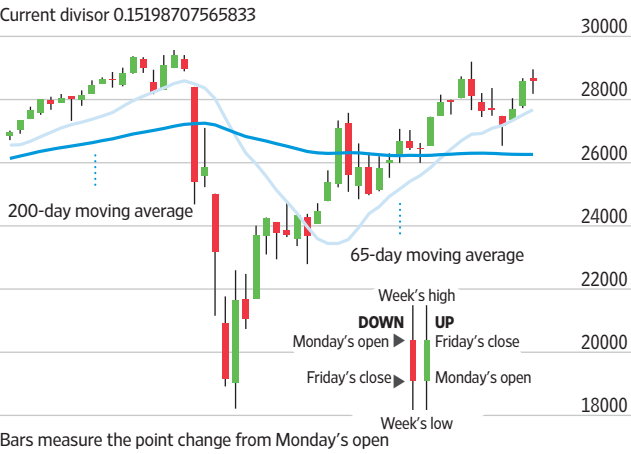
October 19, 2020

MARKETS DIGEST

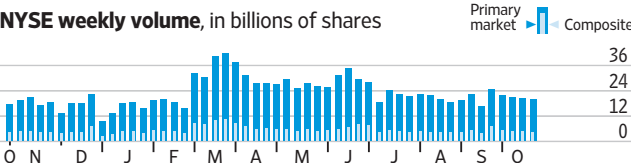
Dow Jones Industrial Average

28606.31 ▲19.41, or 0.07% last week
High, low, open and close for each of the past 52 weeks

Trailing P/E ratio	27.17	19.34
P/E estimate *	24.32	17.89
Dividend yield	2.15	2.32
All-time high	29551.42, 02/12/20	



NYSE weekly volume, in billions of shares



*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; *Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

	High	Low	Latest Week Close	Net chg	% chg	Low	52-Week Close (●)	High	% chg	YTD	3-yr. ann.
Dow Jones											
Industrial Average	28957.90	28181.54	28606.31	19.41	0.07	18591.93	29551.42	6.9	0.2	7.6	
Transportation Avg	11997.41	11733.49	11836.43	-25.52	-0.22	6703.63	11988.83	12.6	8.6	6.3	
Utility Average	888.62	864.07	884.52	8.71	0.99	610.89	960.89	2.1	0.6	6.4	
Total Stock Market	36364.37	35294.57	35759.58	63.20	0.18	22462.76	36434.12	17.1	8.2	10.5	
Barron's 400	767.15	758.47	762.27	2.56	0.34	455.11	767.01	11.8	4.1	3.6	
Nasdaq Stock Market											
Nasdaq Composite	11965.54	11559.10	11671.56	91.61	0.79	6860.67	12056.44	44.3	30.1	20.8	
Nasdaq 100	12204.75	11765.48	11852.17	126.32	1.08	6994.29	12420.54	50.6	35.7	24.7	
S&P											
500 Index	3549.85	3440.89	3483.81	6.68	0.19	2237.40	3580.84	16.7	7.8	10.9	
MidCap 400	2012.37	1957.24	1997.34	0.98	0.05	1218.55	2106.12	3.1	-3.2	3.2	
SmallCap 600	934.55	904.58	923.71	-2.48	-0.27	595.67	1041.03	-2.8	-9.5	0.6	

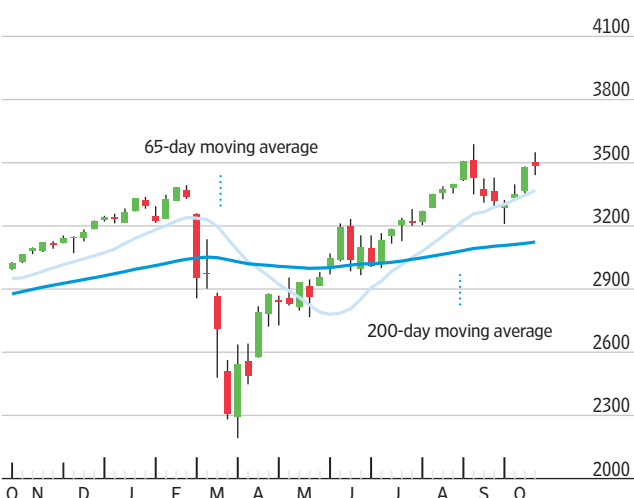
Other Indexes											
Russell 2000	1652.05	1598.49	1633.81	-3.74	-0.23	991.16	1705.22	6.4	-2.1	2.8	
NYSE Composite	13350.59	12960.98	13169.32	-83.30	-0.63	8777.38	14183.2	1.3	-5.3	2.1	
Value Line	492.94	479.49	487.78	-1.37	-0.28	305.71	562.05	-5.8	-11.7	-3.5	
NYSE Arca Biotech	5645.29	5448.20	5480.97	-104.66	-1.87	3855.67	6142.96	28.1	8.2	8.7	
NYSE Arca Pharma	673.12	647.22	657.44	-10.69	-1.60	494.36	675.64	11.9	0.6	6.0	
KBW Bank	80.75	75.99	78.07	-1.49	-1.87	56.19	114.12	-22.7	-31.1	-7.8	
PHLX [®] Gold/Silver	152.25	145.44	147.09	-2.93	-1.95	70.12	161.14	62.5	37.6	19.5	
PHLX [®] Oil Service	30.08	28.14	28.19	-1.293	-4.39	21.47	80.99	-55.2	-64.0	-41.2	
PHLX [®] Semiconductor	2449.17	2369.17	2399.76	1.72	0.07	1286.84	2433.48	50.9	29.7	25.1	
CBOE Volatility	29.06	24.14	27.41	2.41	9.64	11.54	82.69	92.4	98.9	40.4	

[®]Nasdaq PHLX

S&P 500 Index

3483.81 ▲6.68, or 0.19% last week
High, low, open and close for each of the past 52 weeks

Trailing P/E ratio *	38.21	23.50
P/E estimate *	25.90	18.15
Dividend yield *	1.72	1.93
All-time high	3580.84, 09/02/20	

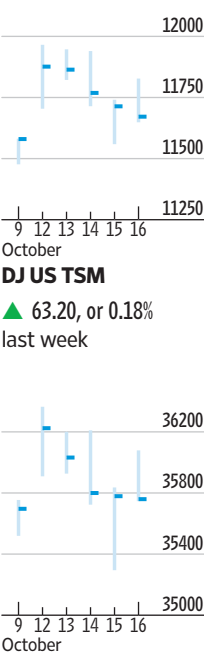


Track the Markets
Compare the performance of selected global stock indexes, bond ETFs, currencies and commodities at [wsj.com/graphics/track-the-markets](https://www.wsj.com/graphics/track-the-markets)



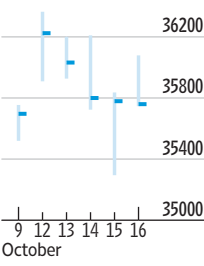
Nasdaq Composite

▲ 91.61, or 0.79% last week



DJ US TSM

▲ 63.20, or 0.18% last week



International Stock Indexes

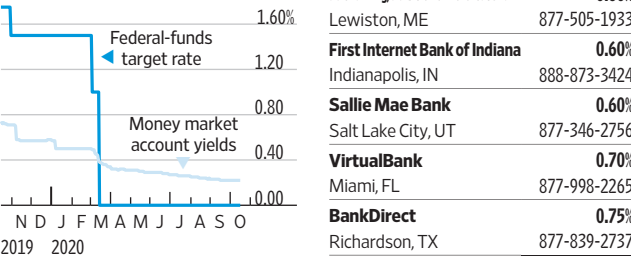
Region/Country	Index	Close	Latest Week % chg	Low	52-Week Range Close	High	YTD % chg
World	The Global Dow	3044.30	-0.87	2138.97	3300.22	6.4	-2.5
	DJ Global Index	444.87	-0.34	292.30	451.87	2.4	-6.5
	DJ Global ex U.S.	252.02	-1.03	174.38	267.54	-4.4	
Americas	DJ Americas	812.85	0.11	512.68	830.76	6.8	
Brazil	Sao Paulo Bovespa	98309.12	0.85	63569.62	119527.63	-15.0	
Canada	S&P/TSX Comp	16438.75	-0.75	11228.49	17944.06	-3.7	
Mexico	S&P/BMV IPC	37876.49	-1.56	32964.22	45902.68	-13.01	
Chile	Santiago IPSA	2508.48	-1.00	2045.49	3722.44	-24.8	
EMEA	Stoxx Europe 600	367.48	-0.78	279.66	433.90	-11.6	
	Stoxx Europe 50	2921.83	-1.08	2383.14	3539.12	-14.1	
Eurozone	Euro Stoxx	361.94	-0.67	261.53	421.34	-10.4	
	Euro Stoxx 50	3245.47	-0.84	2385.82	3865.18	-13.3	
Austria	ATX	2195.32	-0.87	1630.84	3250.61	-31.1	
Belgium	Bel-20	3264.60	-3.62	2528.77	4198.31	-17.5	
France	CAC 40	4935.86	-0.22	3754.84	6111.24	-17.4	
Germany	DAX	12908.99	-1.09	8441.71	13789.00	-2.6	
Greece	Athex Composite	620.18	-4.80	484.40	948.64	-32.3	
Israel	Tel Aviv	1358.23	-0.48	1171.21	1751.79	-19.3	
Italy	FTSE MIB	19389.68	-1.05	14894	25478	-17.5	
Netherlands	AEX	568.18	0.18	404.10	629.23	-6.0	
Portugal	PSI 20	4228.02	1.11	3596.08	5435.85	-18.9	
Russia	RTS Index	1132.80	-2.71	832.26	1646.60	-26.9	
South Africa	FTSE/JSE All-Share	55047.26	-0.25	37963.01	59001.87	-3.6	
Spain	IBEX 35	6849.70	-1.46	6107.2	10083.6	-28.3	
Sweden	OMX Stockholm	735.09	-0.46	478.95	743.82	-8.0	
Switzerland	Swiss Market	10207.13	-1.09	8160.79	11263.01	-3.9	
U.K.	FTSE 100	5919.58	-1.61	4993.89	7674.56	-21.5	
Asia-Pacific	S&P/ASX 200	6176.80	1.22	4546.0	7162.5	-7.6	
Australia	Shanghai Composite	3336.36	1.96	2660.17	3451.09	9.4	
China	Hang Seng	24386.79	1.11	21696.13	29056.42	-13.5	
Hong Kong	S&P BSE Sensex	39982.98	-1.30	25981.24	41952.63	-3.1	
India	Nikkei Stock Avg	23410.63	-0.89	16552.83	24083.51	-1.0	
Japan	FTSE Bursa Malaysia KLCI	1503.84	-1.73	1219.72	1615.67	-5.3	
Malaysia	Straits Times	2533.02	0.002	2233.48	3285.72	-6.4	
Singapore	Kospi	2341.53	-2.11	1457.64	2443.58	21.5	
South Korea	TAIEX	12750.37	-1.06	8681.34	12976.76	6.3	
Taiwan							

Source: FactSet; Dow Jones Market Data

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Interest rate	Yield/Rate (%) Last	52-Week Range (%) Low 0 2 4 6 8 High	3-yr chg (pct pts)
Federal-funds rate target	0.00-0.25	0.00-0.25	1.75
Prime rate*	3.25	3.25	5.00
Libor, 3-month	0.22	0.22	1.96
Money market, annual yield	0.22	0.22	0.73
Five-year CD, annual yield	0.62	0.62	1.53
30-year mortgage, fixed¹	3.02	3.03	4.22
15-year mortgage, fixed¹	2.52	2.55	3.57
Jumbo mortgages, \$510,400-plus¹	3.06	3.06	4.42
Five-year adj mortgage (ARM)^{1,2}	3.23	3.24	4.61
New-car loan, 48-month	4.14	4.14	4.56

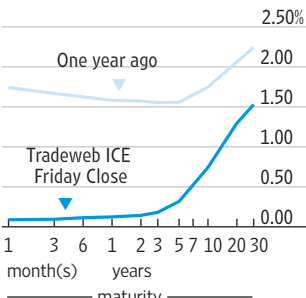
Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks. ¹ Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

Benchmark Yields and Rates

Treasury yield curve

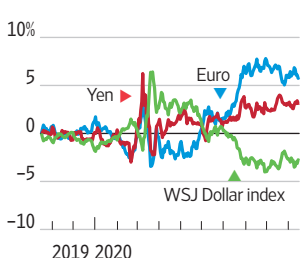
Yield to maturity of current bills, notes and bonds



Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Corporate Borrowing Rates and Yields

Bond total return index	Yield (%) Last	Wk ago	Spread +/- Treasuries, in basis pts, 52-wk Range Last	Low	High	Total Return 52-wk	3-yr
U.S. Treasury , Barclays	0.530	0.550				7.98	5.32
U.S. Treasury Long , Barclays	1.400	1.440				17.10	11.12
Aggregate , Barclays	1.190	1.210	n.a.	39	127	7.20	5.18
Fixed-Rate MBS , Barclays	1.300	1.310	n.a.	28	132	4.25	3.63
High Yield 100 , ICE BofA	4.496	4.438	414	271	1018	2.463	3.680
Muni Master , ICE BofA	1.120	1.125	34	-12	41	4.084	3.829
EMBI Global , J.P. Morgan	4.689	4.696	377	277	662	3.813	3.690

Sources: J.P. Morgan; S&P Dow Jones Indices; Bloomberg Barclays; ICE Data Services

New to the Market

More on B7

Public Offerings of Stock

IPOs in the U.S. Market

Initial public offerings of stock expected this week; might include some offerings, U.S. and foreign, open to institutional investors only via the Rule 144a market; deal amounts are for the U.S. market only

Expected pricing date	Filed	Issuer/business	Symbol/primary exchange	Shares (mil.)	Pricing Range(\$)	Low/High	Bookrunner(s)
10/21	9/28	McAfee Corp Software publisher in protecting consumers, enterprises, and governments from cyberattacks.	MCFE Nq	37.0	19.00/22.00		MS, GS, TPG Global LLC, BofA Securities, Citi, RBC Cptl Mkts, DB
10/20	9/29	Datto Holding Corp Cloud-based software and technology solutions provider.	MSP N	22.0	24.00/27.00		MS, BofA Securities, Barclays, Credit Suisse, Citi, RBC Cptl Mkts
10/21	10/1	Guild Holdings Co Mortgage company that employs a relationship-based loan sourcing strategy to execute on our mission of delivering the promise of home ownership in neighborhoods and communities across the United States.	GHLd N	8.5	17.00/19.00		WFS, BofA Securities, JPM

Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	Issue date	Issuer	Symbol	Offer price(\$)	Offer amt (\$ mil.)	Through Friday (%)	Lockup provision
Oct. 21	April 24, '20	ORIC Pharmaceuticals	ORIC	16.00	75.0	53.7	180 days

Sources: Dealogic; Dow Jones Market Data

Off the Shelf

"Shelf registrations" allow a company to prepare a stock or bond for sale, without selling the whole issue at once. Corporations sell as conditions become favorable. Here are the shelf sales, or takedowns, over the last week:

Issuer/Industry	Takedown date/Registration date	Deal value (\$ mil.)	Bookrunner(s)
Royal Caribbean Group Leisure & Recreation	Oct. 13 Feb. 26, '18	\$500.0	MS, BofA Securities, Citi, DNB Markets Inc, GS, HSBC, JPM, SEB
Eton Pharmaceuticals Inc Healthcare	Oct. 14 Dec. 2, '19	\$19.6	Natl Sec.
Alphatec Holdings Inc Healthcare	Oct. 14 Aug. 6, '20	\$100.0	MS, Cowen & Company LLC
TransAct Technologies Inc Computers & Electronics	Oct. 14 October	\$8.5	Roth Cptl Ptnrs
Sapiens International Corp NV Computers & Electronics	Oct. 16 July 11, '19	\$100.0	GS, JPM, Citi, Jefferies
Ocular Therapeutix Inc Healthcare	Oct. 14 Dec. 28, '18	\$70.0	Jefferies, Piper Sandler
SI-BONE Inc Healthcare	Oct. 14 Dec. 27, '19	\$80.7	MS, BofA Securities

Public and Private Borrowing

Treasurys

Monday, October 19	Thursday, October 22
Auction of 13 and 26 week bills; announced on October 15; settles on October 22	Auction of 4 and 8 week bills; announced on October 20; settles on October 27
	Auction of 5 year TIPS; announced on October 15; settles on October 30

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA gained 19.41 points, or 0.07%, on the week. A \$1 change in the price of any DJIA stock = 6.58-point change in the average. To date, a \$1,000 investment on Dec. 31 in each current DJIA stock component would have returned \$30,819, or a gain of 2.73%, on the \$30,000 investment, including reinvested dividends.

The Week's Action			Company	Symbol	Close		\$1,000 Invested (year-end '19)
Pct chg (%)	Stock price change	Point chg in average					\$1,000
6.17	9.81	64.54	Caterpillar	CAT	\$168.75		\$1,170
2.94	1.07	7.04	Walgreens	WBA	37.41		655
2.54	1.34	8.82	Intel	INTC	54.16		921
2.02	4.54	29.87	McDonald's	MCD	229.37		1,183
1.78	3.85	25.33	Microsoft	MSFT	219.66		1,404
1.75	2.05	13.49	Apple	AAPL	119.02		1,632
1.46	1.83	12.04	Walt Disney	DIS	126.81		877
1.35	1.93	12.70	Walmart	WMT	144.71		1,234
1.03	1.47	9.67	Procter & Gamble	PG	144.39		1,178
0.99	1.67	10.99	3M	MMM	170.97		997
0.78	0.31	2.04	Cisco	CSCO	40.16		866
0.63	2.06	13.55	UnitedHealth Group	UNH	329.90		1,136
0.61	1.74	11.45	Home Depot	HD	287.66		1,341
0.31	0.31	2.04	JPMorgan Chase	JPM	101.51		755
0.28	0.48	3.16	Honeywell	HON	174.86		1,006
0.01	0.02	0.13	Boeing	BA	167.35		517
-0.12	-0.06	-0.39	Dow	DOW	49.30		947
-0.41	-0.98	-6.45	Amgen	AMGN	235.72		998
-0.64	-1.33	-8.75	Goldman Sachs	GS	206.21		914
-0.66	-0.53	-3.49	Merck	MRK	79.83		898
-1.34	-1.43	-9.41	American Express	AXP	104.91		855
-1.46	-1.86	-12.24	IBM	IBM	125.93		778
-1.50	-1.11	-7.30	Chevron	CVX	72.89		630
-1.54	-0.78	-5.13	Coca-Cola	KO	50.03		927
-1.90	-2.87	-18.88	Johnson & Johnson	JNJ	148.10		1,036
-2.16	-1.28	-8.42	Verizon	VZ	58.05		987
-2.17	-2.51	-16.51	Travelers	TRV	113.32		845
-2.28	-2.98	-19.61	Nike	NKE	128.00		1,273
-2.79	-7.43	-48.89	salesforce.com	CRM	258.55		1,590
-3.09	-6.38	-41.98	Visa	V	200.26		1,071

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His first football season, Isaiah told us, ‘Wear a jersey with my name on it. I want everyone to know you’re here for me.’

Darnell and Denna, adopted 16-year-old Isaiah



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CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-ends generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. NA signifies that the information is not available or not applicable. **NS** signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: Lipper

Friday, October 16, 2020				52 wk			
Fund (SYM)		NAV	Close/Disc	Prem	Tl	Ret	
General Equity Funds							
Adams Diversified Equity	ADX	19.58	16.74	-14.5	15.5		
Boulder Growth & Income	BIF	12.38	10.06	-18.7	-5.9		
Central Secs	CET	37.00	29.43	-20.5	-2.6		
CohenStrsCEOppFd	FOF	11.63	10.98	-5.6	-7.0		
EVTxAdvDivIncm	EVT	22.16	19.93	-10.1	-10.8		
GabelliDiv&IncTr	GDV	22.45	18.99	-15.4	0.8		
Gabelli Equity Tr	GAB	5.26	5.30	+0.8	0.6		
JHancockTaxAdvDiv	HTD	22.08	19.62	-11.1	-20.3		
Liberty AllStr Eq	USA	6.75	6.17	-8.6	6.9		
Liberty AllStr Gr	ASG	7.42	7.60	+2.4	39.0		
Royce Micro-Cap Tr	RMT	9.89	8.37	-15.4	14.0		
Royce Value Trust	RVT	15.97	13.65	-14.5	8.1		
Source Capital	SOR	42.09	37.84	-10.1	5.5		
Tri-Continental	TY	31.03	27.18	-12.4	8.3		
Specialized Equity Funds							
Aberdeen Gbl Prem Prop	AWP	5.52	4.74	-14.1	-18.4		
Adams Natural Resources	PEO	11.77	9.97	-15.3	-30.2		
AlliantZGI AI& Tech Opps	AIO	25.74	23.03	-10.5	NS		
GI DivInt&PremStr	NFJ	14.31	12.23	-14.5	8.2		
ASA Gold & Prec Met Ltd	ASA	25.77	21.88	-15.1	78.7		
BR Enh C&I	CII	17.70	15.85	-10.5	5.7		
BlackRock Energy & Res	BGR	6.86	5.96	-13.1	-41.0		
BlackRock Eq Enh Div	BDJ	8.44	7.36	-12.8	-11.1		
BlackRock Enh Gbl Div	BOE	11.43	9.89	-13.5	3.3		
BlackRock Enh Intl Div	BGY	6.11	5.34	-12.6	6.8		
BlackRock Hlth Sci Tr II	BMEZ	27.32	24.79	-9.3	NS		
BlackRock Hlth Sciences	BME	43.41	44.18	+1.8	23.8		
BlackRock Res & Comm	BCK	7.34	6.06	-17.4	-10.8		
BlackRock Sci&Tech Tr II	BS1Z	31.21	28.19	-9.7	50.5		
BlackRock Sci&Tech Trust	BST	44.96	44.69	-0.6	55.9		
BlackRock Util Inf& Pwr	BUI	22.25	23.14	+4.0	10.5		
CBRE ClmGblRIEst	IGR	7.40	6.02	-18.6	-16.9		
ClearBridge MLP & Midstm	CEM	NA	13.20	NA	-72.6		
ChnStrInfr	UTF	23.61	23.23	-1.6	-4.5		
Cohen&SteersQualinc	RQI	12.33	11.13	-9.7	-22.7		
Cohen&Steers TotRet	RFI	12.53	11.90	-5.0	-12.7		
CohenStrsREITPrefInc	RNP	22.31	20.75	-7.0	-8.8		
Columbia Sel Psm Tech Gr	STK	23.31	23.00	-1.3	17.5		
DNP Select Income	DNP	8.98	10.15	+13.0	-13.4		
Duff&Ph Util&Infr Fd	DPG	12.86	10.96	-14.8	-21.3		
EtnVncEqtyInc	EOI	16.08	15.00	-6.7	7.5		
EtnVncEqtyIncoll	EOS	19.70	19.15	-2.8	21.5		
EVRSkMnDvsEqInc	ETJ	9.93	9.83	-1.0	17.1		
EtnVncTxMgdBuyWrtInc	ETB	13.98	13.81	-1.2	-4.8		
EtnVncTxMgdBuyWrtOpp	ETV	13.86	14.00	+1.0	2.3		
EvTxMnDvsEqInc	ETY	12.26	11.11	-9.4	2.0		
EtnVncTxMgdGlbB	ETW	9.75	8.65	-11.3	-2.5		
EVTxMnGblDvEqInc	EXG	8.61	7.80	-9.4	4.5		
First Trust Energy Inc G	FEN	12.33	10.04	-18.6	-49.2		
First Tr Enhanced Eq	FFA	16.92	15.36	-9.2	3.5		
FirstTrMLPEner&Inc	FEI	6.52	5.35	-17.9	-43.7		
Gabelli Healthcare	GRX	12.88	10.79	-16.2	10.0		
Gab Utility	GUT	4.02	7.74	+92.5	19.8		
GAMCOGIGold&NatRes	GGN	3.99	3.48	-12.8	-4.3		
J Han Finl Opppty	BTO	21.53	22.67	+5.3	-23.2		
Nuv Dow 30 Dyn Overwrite	DIAx	NA	13.78	NA	-14.5		
NuvCorEqAlpha	JCE	NA	13.16	NA	-0.6		
Nuveen Nasdaq 100 Dyn Oly	QQQx	NA	24.45	NA	17.0		
Nuv Real Est	JRS	NA	7.66	NA	-23.2		
Nuveen RI Asst Inc & Gro	JRI	NA	12.22	NA	-24.2		
NuvSGP500DynVofD	SPXX	NA	13.57	NA	-4.1		
NuvSP500BuyIncFd	BXMX	NA	11.50	NA	-4.4		
ReavesUtilityIncome	UTG	32.81	32.87	+0.2	-3.4		
Tortoise Enrgy Infra Crp	TYG	NA	16.51	NA	-76.4		
Income & Preferred Stock Funds							
CalamosStratTot	CSQ	14.23	14.05	-1.3	19.7		
CohenStrsLtdDurPrefInc	LDP	24.71	23.63	-4.4	-0.4		
CohenStrsSelPrefInc	PSF	25.45	25.67	+0.9	-8.0		
FirstTrIntDurPref&Inc	FPF	22.75	21.60	-5.1	-2.1		
JHanPrefInc	HPI	18.65	18.83	+1.0	-11.2		
JHPrefIncl	HPF	18.33	17.94	-2.1	-14.2		
HnckJPfInclnc III	HPS	16.40	16.07	-2.0	-9.3		
J Han Prm	PDT	13.07	13.05	-0.2	-19.5		
LMP CapInco	SCD	NA	10.54	NA	-15.8		
Nuveen Pref & Inc Opp	JPC	NA	8.58	NA	-7.4		
Nuveen Fd	JPS	NA	8.88	NA	-3.6		
Nuveen Pref & Inc Term	JPI	NA	22.23	NA	-4.9		
Nuveen TxAdvDivGr	JTD	NA	13.14	NA	-13.5		
TCW Strat Income	TSI	NA	5.74	NA	6.6		
Convertible Sec's. Funds							
AdvntCnvrbl&IncFd	AVK	16.71	14.28	-14.5	9.1		
GI Conv & Inc	NCV	5.48	4.75	-13.3	-5.6		
AGI Conv & Inc II	NCZ	4.91	4.24	-13.6	-4.2		
AGI Dvs Inc & Conv	ACV	30.63	27.32	-10.8	28.8		
AGI Eqty & Conv Inc	NIE	28.91	25.39	-12.2	27.1		
CalamosConvHi	CHY	13.81	12.31	-10.9	21.9		
CalmosConvOp	CHI	13.11	11.65	-11.1	20.9		
World Equity Funds							
Aberdeen Emg Mkts Eq Inc	AEF	7.90	6.68	-15.5	-2.4		
Aberdeen Tot Dyn Div	AOD	9.31	8.00	-14.1	4.4		
Calamos GloDyInlc	CHW	8.55	8.48	-0.8	19.7		
China	CHN	31.60	27.24	-13.8	45.9		
EV TxAdvGlbDivInc	ETG	17.46	15.39	-11.9	2.2		
EtnVncTxAdvOpp	ETO	24.10	21.68	-10.0	-8.1		
FirstTrDynEuroEqInc	FDEU	11.99	10.21	-14.8	-20.5		
Gabelli Multimedia	GGT	6.83	6.75	-1.2	-3.2		
Highland Global Alloc	HGLB	9.51	5.98	-37.1	-28.9		
India Fund	IFN	20.07	16.92	-15.7	-5.8		
Japan Smaller Cap	JOF	NA	8.30	NA	2.2		
LazardGlbTotRetInc	LAG	18.06	15.92	-11.8	13.1		
MS ChinaShrFd	CAF	26.59	21.90	-17.6	6.0		
MS India	IIF	21.44	17.70	-17.4	-6.9		
New Germany	GF	20.44	17.49	-14.4	26.5		
Templeton Dragon	TDF	26.37	23.50	-10.9	49.3		
Templeton Em Mkt	EMF	17.98	15.73	-12.5	13.8		
Wells Fargo GI Div Oppty	EOd	NA	4.37	NA	-7.7		
Prem12 Mo							
Fund (SYM)	NAV	Close/Disc	Yld				
U.S. Mortgage Bond Funds							
BlackRock Income	BKT	6.25	6.11	-2.2	6.7		
Invesco H2023Tgt Trm	IHT	8.33	8.01	-3.8	7.5		
Investment Grade Bond Funds							
BRBRC Credit Bond	BHK	16.12	15.62	-3.1	5.1		
BRBRC Alt Income	BTZ	15.12	13.95	-7.7	7.0		
Insight Select Income	INSI	22.03	20.36	-7.6	4.1		
InvescoBond	VBF	21.33	19.76	-7.4	3.8		
JHans Income	JHS	16.07	15.28	-4.9	4.9		
MF Intmdt	MIN	NA	3.73	NA	9.1		
Western Asset Infl-Lk	LIA	NA	12.37	NA	3.2		
Western Asset Infl-Lk Olig	WIIW	NA	11.51	NA	3.6		
Western Asset Infl-Def Opp Tr	IGI	NA	20.41	NA	4.1		
Loan Participation Funds							
Apollo Senior Floating	AFT	NA	12.91	NA	7.8		
BR Debt Strategy	DSU	11.23	9.84	-12.4	8.5		
BR F/R Inc Str	FRA	13.46	11.56	-14.1	8.2		
BlackRock Floating Rt Inc	BGT	13.06	11.31	-13.4	8.1		
Blackstone / GSO Strat	BGB	13.80	12.05	-12.7	9.98		
Blackstone/GSO Sr Flt R	BSL	15.34	13.48	-12.1	8.6		
Eagle Point Credit	ECC	NA	8.66	NA	19.4		
EtnVncFltRtelnc	EFT	13.90	12.75	-8.3	7.9		
EV SenFlRT	FTF	13.67	12.32	-9.9	8.1		
PionFrtRate Tr PHD							
10.90	10.10	-7.3	6.7				
High Yield Bond Funds							
AllianceBernGblHlcm	AWF	NA	10.53	NA	7.4		
Angels Oak FS Inc Trm	FNS	NA	16.95	NA	7.6		
BlackRock SD HY Bd	BGH	15.13	13.32	-12.0	11.2		
BR Corporate Hyt	HYT	11.41	10.76	-5.7	8.7		
BlackRock Ldt Dur Inc	BLW	16.27	14.67	-9.8	8.0		
BNY Mellon Hlyd Strt	DHF	3.13	2.72	-13.1	9.5		
Brookfield Real Asst Inc	RA	19.23	16.45	-14.5	14.4		
CrSusHighYld	DHY	2.41	2.10	-12.9	9.6		
DoubleLine Inc Str	DSL	16.09	15.97	-0.7	11.5		
DoubleLine Yld Opps	DLY	NA	17.38	NA	9.0		
First Tr Hlnc Lng/Shrt	FSF	15.86	14.12	-11.0	9.4		
First Trust Hyt Opp27	FTHY	20.66	20.66	0.0	NS		
IVY HIGH Income Opp	IWH	13.62	11.80	-13.4	10.3		
NeubHgYldStrt NPS	NHS	11.62	10.95	-8.1	9.7		
New Amer Hl Inc	HYB	9.47	8.16	-13.8	7.0		
Nuveen Crt Strat Opp	NHT	17.04	9.30	-45.4	19.6		
NextPoint C Nov21 Tgt	JHB	NA	9.04	NA	4.8		
Nuveen Crt Opps 2022T	JCO	NA	7.91	NA	7.1		
Nuveen Global High Yld	JGH	NA	13.80	NA	8.5		
PGIM Global High Yield	GHY	15.44	13.16	-14.8	9.5		
PGIM High Yield Bond	ISD	15.99	13.81	-13.6	9.1		
PioneerHlcmTr	PHT	8.78	7.99	-9.0	9.7		
BlackRock Mkt-Sctr Bnd	PTL	17.70	15.90	-10.2	9.4		
WellsAstHIF II	HIX	6.94	6.52	-6.1	9.1		
Western Asset Hlnc Opp	HIO	5.33	4.91	-7.9	7.8		
Western Asset Hl Yld D	HYI	15.45	14.19	-8.2	8.0		
Other Domestic Taxable Bond Funds							
Apollo Tactical Income	AIF	NA	12.87	NA	8.2		
Ares Dynamic Crt Alt	ARD	NA	12.77	NA	9.7		
BlackRock Mkt-Sctr Bnd	PTL	17.70	15.90	-10.2	9.4		
BlackRock Tax Mkt Bnd	BBN	24.72	25.92	+4.9	5.1		
DoubleLineOppor Crt Fd	DBL	19.47	18.91	-2.9	7.4		
Duff&Ph Util Crp	DUC	9.59	9.15	-4.6	6.0		
EVLMntDurIncm	EVF	13.23	11.64	-12.0	10.6		
Franklin Intl Income	FTF	9.27	8.59	-7.7	11.1		
First Tr Inv Investors	JHI	14.07	16.17	-7.1	8.5		
KKR Income Opportunities	KIO	NA	13.68	NA	11.0		
MFS Charter	MCR	NA	8.22	NA	8.7		
Nuveen Taxable Mun Inc	NBB	NA	22.23	NA	5.0		
PIMCO Corp & Inc Str	PTY	NA	16.40	NA	9.8		
PIMCO Corp & Inc Strat	PIC	NA	15.85	NA	9.0		
PIMCOHlcm	PHK	NA	5.37	NA	12.6		
PIMCO IncmStr Fd	PFL	NA	10.23	NA	10.6		
PIMCO IncmStr Fd II	PFN	NA	9.15	NA	10.5		
Putnam M& Int	PMI	4.36	4.08	-6.4	8.7		
Putnam Prem Inc	PPT	4.82	4.50	-6.6	9.4		
Wells Fargo Multi-Sector	ERC	NA	10.96	NA	10.9		
World Income Funds							
Abdnr AP Inc Fd	FAF	4.67	3.92	-16.1	7.9		
BmdynGbl Inc Fd Opps	BWG	13.61	11.58	-14.9	7.2		
EtnVncStrtDivInc	EVG	13.37	11.98	-10.4	7.9		
MS EmkMktDomBd	EDD	6.79	5.66	-16.6	8.2		
PIMCO Dyn Crt & Mkt Inc	PCI	NA	19.35	NA	12.6		
PIMCO Dynamic Income	PDI	NA	24.73	NA	12.0		
PIMCO Income Opportunity	POI	NA	22.89	NA	9.8		
PIMCO Strat Inc	RCS	NA	6.21	NA	10.8		
Templeton Em Inc	TEI	8.79	7.29	-17.1	8.4		
Templtn Gbl Inc	GIM	6.12	5.27	-13.9	4.9		
WestAstEmergDebt	EMD	NA	12.68	NA	9.7		
WestAst Crt G'D Op	GDO	18.22	17.47	-4.1	7.3		
National Munl Bond Funds							
AllerNatMunInc	ANB	14.93	13.39	-10.3	4.1		
BlackRk Inv Q Mun	BKN	16.12	16.49	+2.3	4.5		
BlackRock Munl 2030 Tgt	BT7	26.05	24.88	-4.5	3.0		
BlackRock Munl	BKF	14.10	13.74	-2.6	4.7		
BlackRock Munl II	BLE	14.55	14.99	+3.0	4.7		
BlackRk Munl Inc Qly	BYM	15.39	14.21	-7.7	4.0		
BR MuniAssets Fd	MA						

New to the Market

IPO Scorecard

Performance of IPOs, most-recent listed first

Company		% Chg From			Company		% Chg From		
SYMBOL		Friday's			SYMBOL		Friday's		
IPO date/Offer price		close (\$)			IPO date/Offer price		close (\$)		
		price					price		
		1st-day					1st-day		
		dose					dose		
Aligos Thera		14.85	-1.0	...	Turmeric Acquisition		10.04	0.4	...
ALGS Oct. 16/\$15.00					TMPMU Oct. 16/\$10.00				
Kiromic Biopharma		11.50	-4.2	...	Bridgetown Hldgs		10.04	0.4	...
KRBP Oct. 16/\$12.00					BTWNU Oct. 16/\$10.00				
Eargo		33.68	87.1	...	Array Tech		38.95	77.0	6.9
EAR Oct. 16/\$18.00					ARRY Oct. 15/\$22.00				
Tarsus Pharmaceuticals		20.58	28.6	...	Eastern Bankshares		11.91	19.1	-2.0
TARS Oct. 16/\$16.00					EBEC Oct. 15/\$10.00				
Praxis Precision Medicines		27.80	46.3	...	Motion Acquisition		9.86	-1.4	-0.2
PRAX Oct. 16/\$19.00					MOTNU Oct. 15/\$10.00				

Sources: Dow Jones Market Data; FactSet

Other Stock Offerings

Secondaries and follow-ons expected this week in the U.S. market

None expected this week

Fund (SYM)				NAV		Close/Disc		Yld		Prem		Ttl		Ret	
Nuveen CA Val				NCA		NA 10.28		NA 3.0							
Nuveen CAQtyMulin				NAC		NA 14.67		NA 4.2							
Nuveen MD Qual Muni Inc				NMY		NA 13.68		NA 4.1							
Nuveen NJ Qual Muni Inc				NUM		NA 14.22		NA 3.9							
NuvNui Qal Muni Inc				NXJ		NA 13.62		NA 4.7							
Nuveen NY AMT/Fr Qual Muni				NRK		NA 12.94		NA 4.2							
Nuveen NY Qual Muni Inc				NAN		NA 13.60		NA 4.3							
Nuveen OH Qual Muni Inc				NUO		NA 15.21		NA 3.5							
Nuveen PA Qual Muni Inc				NOP		NA 13.73		NA 3.6							
Nuveen VA Qity Muni Inc				NPV		NA 15.08		NA 4.5							
PIMCO CA PCQ				PCA		NA 17.91		NA 4.6							
PIMCOCA MuniIII				PCK		NA 9.11		NA 4.2							
Pimco CA MuniIII				PZC		NA 10.26		NA 4.3							
								52wk							

Fund (SYM)				Prem12 Mo				Fund (SYM)				Prem12 Mo			
NAV				Close/Disc				NAV				Close/Disc			
Blackstone/GSO FREI-I	NA	NA	NA	5.7	BlackRock Mlt-Sec OppII	84.94	NA	NA	8.9						
Blackstone/GSO FREIU	NA	NA	NA	NA	Carlyle Tact Pvt CredA	NA	NA	NA	7.3						
Blstn GMMO Denv	10.10	NA	NA	3.5	Carlyle Tact Pvt CredI	NA	NA	NA	8.0						
BNYM Altnr Gbl MS Cr Fd	95.67	NA	NA	7.3	Carlyle Tact Pvt CredM	NA	NA	NA	7.6						
CLIFLWATER CL FD-I	10.39	NA	NA	4.4	Carlyle Tact Pvt CredM	NA	NA	NA	NS						
CNR Strategic Credit	9.42	NA	NA	8.4	Carlyle Tact Pvt CredN	NA	NA	NA	8.1						
FedProj&TrfInanceTendr	9.94	NA	NA	2.8	Carlyle Tact Pvt CredY	NA	NA	NA	7.8						
FS Global Crdt Optpys D	NA	NA	NA	7.3	CION Ares Dvsfd CrdtA	NA	NA	NA	5.8						
Garrison Capital Inc	GARS	NA	3.86	NA	CION Ares Dvsfd CrdtC	NA	NA	NA	5.8						
Schdrs Opp IncA	25.01	NA	NA	NS	CION Ares Dvsfd CrdtI	NA	NA	NA	5.7						
Schdrs Opp IncA2	24.99	NA	NA	NS	CION Ares Dvsfd CrdtL	NA	NA	NA	5.8						
Schdrs Opp IncA1	25.03	NA	NA	NS	CION Ares Dvsfd CrdtU	NA	NA	NA	NS						
Schdrs Opp IncA3	25.07	NA	NA	NS	CION Ares Dvsfd CrdtW	NA	NA	NA	NS						
Invesco Sr Loan A	6.04	NA	NA	4.8	CION Ares Dvsfd CrdtW	NA	NA	NA	5.7						
Invesco Sr Loan C	6.05	NA	NA	4.0	CNR Select Strategies	11.48	NA	NA	0.0						
Invesco Sr Loan IB	6.04	NA	NA	5.0	GL Beyond Income	0.77	NA	NA	NE						
Invesco Sr Loan LC	6.04	NA	NA	4.9	KKR CREDIT OPPTY;I	NA	NA	NA	NS						
Invesco Sr Loan Y	6.05	NA	NA	5.0	KKR CREDIT OPPTY;T	NA	NA	NA	NS						
Pioneer Sec Inc	9.02	NA	NA	NS	KKR CREDIT OPPTY;U	NA	NA	NA	NS						
High Yield Bond Funds					Lord Abbott Cred Opps Fd	NA	NA	NA	7.5						
Griffin Inst Access CdA	NA	NA	NA	6.4	Lord Abbott Cred Opps Fd	NA	NA	NA	8.3						
Griffin Inst Access CdC	NA	NA	NA	6.4	Lord Abbott Crd OpU	NA	NA	NA	NS						
Griffin Inst Access CdF	NA	NA	NA	6.5	Palmer Square Opp Inc	17.35	NA	NA	6.3						
Griffin Inst Access Cdd	NA	NA	NA	6.4	Resource Credit InCA	9.80	NA	NA	8.4						
Griffin Inst Access Cdl	NA	NA	NA	6.5	Resource Credit InCC	9.91	NA	NA	7.7						
PIMCO Flexible Cr IA-2	NA	NA	NA	NS	Resource Credit Incl	9.82	NA	NA	8.7						
PIMCO Flexible Cr IA-4	NA	NA	NA	10.6	Resource Credit InclL	9.80	NA	NA	8.2						
PIMCO Flexible Cr Ilnst	NA	NA	NA	11.4	Resource Credit InCW	9.80	NA	NA	8.4						
PiontILSBridge	10.00	NA	NA	0.0	Thrivent Church LndInSc	10.95	NA	NA	2.7						
WA Middle Mkt Dbt	604.14	NA	NA	8.3	World Income Funds										
WA Middle Mkt Inc	590.31	NA	NA	9.7	Destra Int&Evt-Dvn CrdA	24.04	NA	NA	4.8						
Other Domestic Taxable Bond Funds					Destra Int&Evt-Dvn CrdI	24.04	NA	NA	5.1						
Am Beacon Apollo TRT	10.10	NA	NA	3.1	Destra Int&Evt-Dvn CrdL	24.03	NA	NA	4.6						
Am Beacon Apollo TRY	10.20	NA	NA	NS	Destra Int&Evt-Dvn CrdT	24.02	NA	NA	4.4						
Am Beacon SP Enh Inct	9.33	NA	NA	NS	National Muni Bond Funds										
Am Beacon SP Enh InctY	9.37	NA	NA	4.4	PIMCO Flex Munc InCA-3	NA	NA	NA	2.2						
BR Credit StratA	10.06	NA	NA	NS	PIMCO Flex Munc InCA1	NA	NA	NA	NS						
BR Credit StratB	10.06	NA	NA	5.2	PIMCO Flex Munc InCA2	NA	NA	NA	NS						
BlackRock Mlt-Sctr Oppty	81.98	NA	NA	9.2	PIMCO Flex Munc InClnst	NA	NA	NA	2.9						
					Tortoise Tax-Adv Soc Inf	9.64	NA	NA	5.0						



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MARKETS

Tech’s Sway
On Pace to
Set Record

Continued from page B1

sturdy expansion that ended earlier this year. While data show the tech giants employ fewer workers than some other previous market leaders, they do invest heavily in their businesses and allow other firms and consumers to buy and sell goods and services more efficiently.

Howard Marks, co-founder of investment firm Oaktree Capital Group LLC, said in a recent memo to clients that measures of how expensive tech stocks are relative to current profits could actually understate the potential of these companies because they spend so much to drive their rapid growth.

Analysts estimate the tech sector’s share of S&P 500 corporate profits could reach about 36% this year, FactSet data show. The information-technology sector has a price/earnings ratio of 28 based on the group’s profits from the past year, compared with a ratio of 24 for the S&P 500. Communication-services firms trade at 25 times earnings, while Apple, **Microsoft** Corp., **Facebook** Inc. and **Alphabet** Inc. have valuations in the mid-30s. Netflix’s ratio is

about 90, while **Amazon.com** Inc.’s is roughly 130.

Even for more expensive internet companies, many investors are willing to pay for their rapid growth.

“They have received an added boost over the last 10 years because the broad economic backdrop has been lackluster,” said David Lebovitz, a global market strategist at J.P. Morgan Asset Management. He is recommending that clients favor companies within the sector that aren’t as expensive as the most popular internet stocks.

At the same time, frenzied trading in the most popular internet companies remains a concern for many market watchers. Some of that activity has taken place in options tied to tech stocks. Options grant the holder the choice to buy or sell a stock at a certain price by a specified date. Banks and other firms that sell options to investors often then hedge against prices going up or down by trading tech investments themselves, a force that can exacerbate volatility. Japanese conglomerate SoftBank Group Corp. was a big buyer of tech-stock options earlier this year.

The analysis of tech’s concentration in the S&P 500 is based on companies in the information-technology and communication-services sectors. Notably, that group excludes Amazon, the e-commerce giant that is in the consumer-discretionary sector. Including Amazon, which has a



Apple’s market cap has passed \$2 trillion and last month accounted for about 8% of the S&P, the most for any stock in at least 22 years.

market value around \$1.6 trillion, would make the tech sector’s sway over markets even bigger.

Because the S&P 500 is weighted by a company’s market value, the biggest internet firms have overshadowed declines in several sectors this year. In another illustration of the group’s strength during the pandemic, the S&P is outpacing a version of the index that gives every stock an equal weighting by nearly 10 per-

centage points this year, a gap that would be the highest since the late 1990s.

“The longer this backdrop continues, the further they’re going to pull away from the pack,” said Amanda Agati, chief investment strategist at PNC Financial Services Group, which is favoring companies more tied to remote work and learning recently like technology, health-care and consumer-staples firms.

Amazon and other large in-

ternet companies have come under increasing regulatory scrutiny in recent weeks, with a Democratic-led House of Representatives panel recently finding that Congress should consider forcing the tech giants to separate their dominant online platforms from other business lines.

Few analysts expect the biggest tech firms to soon be broken up, and regulatory actions are often slow to play out, but many investors think regula-

tion could be another source of volatility in the weeks ahead.

“The only thing that really makes me nervous as a tech bull is the likelihood of government intervention,” said Jacob Walthour, chief executive of Blueprint Capital Advisors. Still, he recommends clients favor technology stocks, e-commerce companies like Amazon and electric-auto maker **Tesla** Inc. because of their growth potential.



Netflix plans to post quarterly earnings Tuesday. Its series ‘Emily in Paris.’

THE TICKER | Market events coming this week

Monday

Earnings expected*	
Estimate/Year Ago(\$)	
Cadence Design Sys	0.61/0.54
Equity LifeStyle Properties	0.28/0.35
Halliburton	0.08/0.35
IBM	2.58/2.68
Logitech Intl	0.59/0.50
PPG Industries	1.78/1.67

Tuesday

Building Permits	
Aug., previous	1.470 mil.
Sep., expected	1.450 mil.

Housing Starts	
Aug., previous	1,416 mil.

Earnings expected*	
Estimate/Year Ago(\$)	
Lockheed Martin	6.09/5.66
Netflix	2.13/1.47
Philip Morris Intl	1.36/1.43
P&G	1.42/1.37
Prologis	0.30/0.71
Texas Instruments	1.27/1.49

Wednesday

EIA status report	
Previous change in stocks in millions of barrels	
Crude-oil stocks	down 3.8
Gasoline stocks	
	down 1.6

Mort. bankers indexes	
Purchase, previous	down 2%
Refinanc, prev.	down 0.3%

Earnings expected*	
Estimate/Year Ago(\$)	
Abbott Laboratories	0.90/0.84
Crown Castle Intl	0.49/0.58
NextEra Energy	2.63/2.39

Tesla	
	0.54/0.37
Thermo Fisher Scientific	4.33/2.94
Verizon Communications	1.22/1.25

Thursday

EIA report: natural gas	
Previous change in stocks in billions of cubic feet	
	up 46

Existing home sales	
Aug., previous	6.00 mil.
Sep., expected	6.16 mil.

Initial jobless claims	
Previous	898,000
Expected	875,000

Leading indicators	
Aug., previous	up 1.2%
Sep., expected	up 0.6%

Earnings expected*	
Estimate/Year Ago(\$)	

AT&T	0.76/0.94
Coca-Cola	0.46/0.56
Danaher	1.36/1.16
Intel	1.11/1.42
Kimberly-Clark	1.75/1.84
Union Pacific	2.06/2.22

Friday

Earnings expected*	
Estimate/Year Ago(\$)	
American Express	1.33/2.08
First Horizon Natl	0.51/0.35
Gentex	0.41/0.44
Illinois Tool Works	1.47/2.04

Insider-Trading Spotlight

Trading by “insiders” of a corporation, such as a company’s CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here’s a look at the biggest individual trades by insiders, based on data received by Thomson Financial on October 16, and year-to-date stock performance of the company

KEY: B: beneficial owner of more than 10% of a security class **CB:** chairman **CEO:** chief executive officer **CFO:** chief financial officer **CO:** chief operating officer **D:** director **DO:** director and beneficial owner **GC:** general counsel **H:** officer, director and beneficial owner I: indirect transaction filed through a trust, insider spouse, minor child or other **O:** officer **OD:** officer and director **P:** president **UT:** unknown **VP:** vice president Excludes pure options transactions

Biggest weekly individual trades

Based on reports filed with regulators this past week

Date(s)	Company	Symbol	Insider	Title	No. of shrs in trans (000s)	Price range (\$)	\$ Value (000s)	Close (\$)	Ytd (%)
Buyers									
Oct. 13	fuboTV	FUBO	E. Bronfman	ODI	200	10.00	2,000	10.00	12.3
Oct. 13			D. Leff	DI	200	10.00	2,000		
Oct. 14	Gossamer Bio	GOSS	F. Hasnain	DI	97	10.36	1,000	9.68	-38.1
Oct. 9	Selecta Biosciences	SELB	T. Springer	DOI	277	2.00	552	2.49	4.6
Oct. 8	Medtronic	MDT	R. Anderson	D	5	108.52	500	110.13	-2.9
Oct. 12	Eyenovia	EYEN	S. Grant	B	100	3.50-3.60	355	3.75	-16.3
Sept. 22	BioVie	BIVI	S. Gorlin	D	15	10.00	150	9.75	178.6
Oct. 2	Processa Pharmaceuticals	PCSA	J. Besser	B	30	4.04	121	4.43	-75.4
Oct. 12	Heico	HEI	T. Culligan	DI	x	111.44	109	112.70	-1.3
Oct. 12			A. Henriques	DI	x	111.44	109		
Oct. 12			M. Hildebrandt	DI	x	111.44	109		
Oct. 12			E. Mendelson	PI	x	111.44	109		
Oct. 12			V. Mendelson	PI	x	111.44	109		
Oct. 12			J. Neitzel	D	x	111.44	109		
Oct. 12			A. Schriesheim	DI	x	111.44	109		
Oct. 12			F. Schwitter	D	x	111.44	109		
Oct. 13-14	Landec	LNDC	N. Obus	DI	10	10.19-10.32	103	10.43	-7.8
Oct. 13	Loop Industries	LOOP	J. Stubina	DI	10	8.58	86	7.85	-20.8
Sellers									
Oct. 9	DraftKings	DKNG	S. Meckenzie	D	6,949	50.83	353,222	44.34	314.4
Oct. 9			J. Salter	DI	4,973	50.83	252,756		
Oct. 9			S. Murray	DI	1,546	50.83	78,579		
Oct. 9			R. Moore	DI	1,000	50.83	50,830		
Oct. 9			H. Nada	DI	947	50.83	48,121		
Oct. 13	nCino	NCNO	J. Horing	DOI	4,815	72.00	346,666	77.08	
Oct. 8-9	Best Buy	BBY	R. Schulze	BI	499	115.08-118.16	57,977	119.35	35.9
Oct. 12	Scientific Games	SGMS	R. Perelman	FOI	1,964	28.00	55,000	35.50	32.6
Oct. 7-9	Schrodinger	SDGR	D. Shaw	BI	920	53.29-56.69	50,682	57.94	
Oct. 13-15			D. Shaw	BI	705	55.69-61.94	41,223		
Oct. 13	Square	SQ	J. McKelvey	D	200	187.28-190.96	37,960	186.35	197.9
Oct. 9-13	CrowdStrike Holdings	CRWD	G. Kurtz	CEOI	243	143.50-152.50	35,291	145.34	191.400
Oct. 9-12	Paycom Software	PAYC	C. Richison	CEO	90	358.34-369.37	32,907	381.80	44.2
Oct. 7-8			C. Richison	CEO	90	336.45-360.31	31,568		
Oct. 7	Electronic Arts	EA	A. Wilson	CEO	250	124.55-126.09	31,177	131.92	22.7
Oct. 13	Broadcom	AVGO	H. Tan	CEO	78	379.29-386.77	29,872	378.65	19.8
Oct. 9	Apple	AAPL	L. Maestri	CFO	243	116.89	28,455	119.02	62.1
Oct. 12-13	Okta	OKTA	B. Horowitz	DI	100	239.74-249.12	24,558	243.95	111.5

* Half the transactions were indirect ** Two day transaction
p - Pink Sheets

Buying and selling by sector

Based on actual transaction dates in reports received this past week

Sector	Buying	Selling	Sector	Buying	Selling
Basic Industries	0	9,436,977	Finance	51,161	7,729,490
Business services	8,819	14,862,708	Health care	515,050	69,563,566
Capital goods	0	0	Industrial	871,926	25,751,190
Consumer durables	0	1,848,565	Media	32,568	261,900
Consumer nondurables	103,023	13,667,402	Technology	7,850	130,266,018
Consumer services	0	14,596,801	Transportation	0	134,260
Energy	1,145	34,002,719	Utilities	17,225	4,167,484

Sources: Thomson Financial; Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

October 16, 2020

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don’t always represent actual transactions.

Inflation	
Sept. index level	Chg From (%)
	Aug. '20 Sept. '19
U.S. consumer price index	
All items	260.280 0.14 1.4
Core	269.054 0.11 1.7

Core	269.054	0.11	1.7
International rates			
	Latest	Week ago	52-Week High Low

Policy Rates	
Euro zone	0.00 0.00 0.00 0.00
Switzerland	0.00 0.00 0.50 0.00
Britain	0.10 0.10 0.75 0.10
Australia	0.25 0.25 0.75 0.25

Overnight repurchase	
U.S.	0.11 0.11 1.91 -0.07

U.S. government rates	
Discount	
	0.25 0.25 2.50 0.25

Federal funds	
Effective rate	0.0900 0.0900 1.8400 0.0600
High	0.1000 0.1000 1.9200 0.1000

Treasury bill auction	
4 weeks	0.090 0.090 1.720 0.000
13 weeks	0.105 0.095 1.640 0.000
26 weeks	0.115 0.110 1.620 0.080

Secondary market	
Fannie Mae	
30-year mortgage yields	
30 days	1.904 1.969 3.388 1.751
60 days	1.932 1.994 3.403 1.804

Other short-term rates	
Call money	
	2.00 2.00 3.75 2.00

Notes on data:	
U.S. prime rate	is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective March 16, 2020. Other prime rates aren't directly comparable; lending practices vary widely by location.
Discount rate	is effective March 16, 2020. Secured Overnight Financing Rate is as of October 15, 2020. DTCC GCF Repo Index is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. Federal funds rates are Tullett Prebon rates as of 5:30 p.m. ET.
Sources:	Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

Commercial paper (AA financial)	
90 days	0.14 n.a. 2.53 0.04

Libor	
One month	0.15138 0.14525 1.85025 0.13950
Three month	0.21838 0.22413 1.96050 0.21775
Six month	0.25750 0.24575 1.95175 0.23375
One year	0.33500 0.34763 2.01200 0.33500

Euro Libor	
One month	-0.563 -0.565 -0.360 -0.621
Three month	-0.540 -0.523 -0.142 -0.540
Six month	-0.515 -0.498 -0.052 -0.515
One year	-0.463 -0.443 0.008 -0.463

Secured Overnight Financing Rate	
	0.10 0.08 1.95 0.01

DTCC GCF Repo Index	
Treasury	0.116 46.270 1.916 0.002
MBS	0.125 52.150 1.950 0.011

Cash Prices | wsj.com/market-data/commodities

Friday, October 16, 2020

These prices reflect buying and selling of a variety of actual or “physical” commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Energy	Friday	Friday	Friday
Aluminum, LME, \$ per metric ton	*1824.0	Wheat - Hard - KC (USDA) \$ per bu-u	5.6875
Copper,Comex spot	3.0650	Wheat,No.1soft white,Portld,OR-u	5.8000
Iron Ore, 62% Fe CFR China-s	119.1		
Shredded Scrap, US Midwest-s	281	Food	
Steel, HRC USA, FOB Midwest Mill-s	653	Beef,carcass equiv. index	
		choice 1-3,600-900 lbs-u	179.78
Fibers and Textiles		select 1-3,600-900 lbs-u	165.77
Burlap,10-oz,40-inch NY yd-n,w	0.6175	Broilers, National comp wtd. avg.-u,w	0.6787
Cotton,11/16 std lw-mdMphs-u	0.6617	Butter,AA Chicago	1.5100
Cotlook 'A' Index-t	*74.50	Cheddar cheese,bbl,Chicago	220.50
Hides,hvy native steers piece fob-u	36.000	Cheddar cheese,bllk,Chicago	272.00
Wool,64s, staple, Terr del-u,w	n.a.	Milk,Nonfat dry,Chicago lb.	114.00
		Coffee,Brazilian,Comp	1.0247
Grains and Feeds		Coffee,Colombian, NY	1.5583
Barley,top-quality Mnpls-u	n.a.	Eggs,large white,Chicago-u	1.0450
Bran,wheat middlings, KC-u	128	Flour,hard winter KC	15.70
Corn,No.2 yellow,Cent IL-bp,u	3.7850	Hams,17-20 lbs,Mid-US fob-u	n.a.
Corn gluten feed,Midwest-u,w	123.4	Hogs,Iowa-So. Minnesota-u	74.50
Corn gluten meal,Midwest-u,w	429.0	Pork bellies,12-14 lb MidUS-u	n.a.
Cottonseed meal-u,w	295	Pork loins,13-19 lb MidUS-u	1.1172
Horniny feed,Cent IL-u,w	98	Steers,Tex.-Okla. Choice-u	n.a.
Meat-bonemeal,50% pro Mnpls-u,w	220	Steers,feeder,Okla. City-u,w	142.50
Oats,No.2 milling,Mnpls-u	3.1000		
Rice, Long Grain Milled, No. 2 AR-u,w	29.25	Fats and Oils	
Sorghum, (Milo) No.2 Gulf-u	6.0200	Corn oil,crude wet/dry mill wtd. avg.-u,w	42.0000
SoybeanMeal,Cent IL,rail,ton48%-u	366.50	Grease,choice white,Chicago-h	0.2950
Soybeans,No.1 yllw IL-bp,u	10.2850	Lard,Chicago-u	n.a.
Wheat,Spring,14%-pro Mnpls-u	6.7725	Soybean oil,crude,CentIL IL-u	0.3362
Wheat,No.2 soft red,St.Louis-u	6.3525	Tallow,bleach,Chicago-h	0.3200
		Tallow,edible,Chicago-u	n.a.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; E=Manfra,Tordella

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY



In the third quarter, the company sold almost 4% more Mercedes-Benz vehicles than in the year-earlier period.

Daimler Sets a Tough Pace

Auto maker posted strong quarterly cash flows, but is an industry outlier

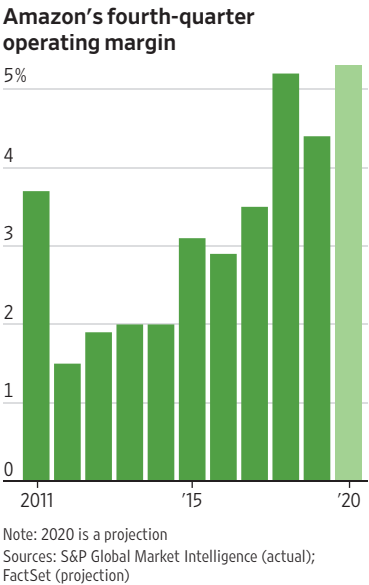
Daimler has set the bar high for the automotive sector's coming results season—perhaps too high. The maker of Mercedes-Benz cars unveiled much better-than-expected third-quarter numbers, in a surprise update ahead of its full earnings report this week. Operating profits came in at roughly €3.1 billion, equivalent to \$3.6 billion, the best result in 2½ years. Most surprisingly, free cash flows from the core automotive business totaled €5.1 billion, boosted by pandemic-related cash-preservation measures and a fat dividend from Daimler's Chinese joint venture. In part, the update—and the 5% jump in Daimler stock it triggered Friday—can be taken as a bullish signal for the entire sector, most of which reports third-quarter numbers over the coming three weeks. But only in part. Vehicle sales have been very strong this summer as consumers have shunned public transport and taken advantage of low interest rates and government stimulus money. Limited inventories follow-

ing spring production closures have kept discounting in check. Investors are likely expecting most companies to beat cautious forecasts, but Daimler's results show there is still room for them to be genuinely surprised. However, Daimler isn't typical in two important ways. One is its exposure to China, the market recovering fastest from the pandemic, particularly at the luxury end. In the third quarter, the company sold almost 4% more Mercedes-Benz vehicles than in the same period last year, largely thanks to a 23% jump in China. Sales in Europe were roughly flat, while they fell 9% in the U.S. Daimler's local rivals **BMW** and **Volkswagen** similarly have more to gain than most global auto makers from the Chinese rebound. Second, Daimler is in the middle of executing a turnaround after a string of profit warnings before the pandemic. This may have prepared the company better than others to conserve cash this year. Germany's "Kurzarbeit" program for partially furloughing workers

helped. Some costs will come back, but others won't. Chief Executive Ola Källenius, who took the reins last year, said at a recent investor event that he wants to trim fixed costs by 20% over the six years through 2025, with variable costs also falling 1% a year. Looking beyond a strong third quarter for Daimler and its peers is difficult. Covid cases are rising in Europe, while much of the stimulus spending that kept the U.S. economy on track this summer expired. On the other hand, the pandemic seems to be reviving interest in car ownership. That is positive not just for new-car sales but also the secondhand market and residual values that shape the results of auto makers' financing arms. How profits in the industry progress from here is subject to an unusual level of uncertainty, but the recovery rush of recent months will be hard to match. For auto investors, Daimler's third-quarter performance may be as good as things get for a while. —Stephen Wilmot

Amazon Primes Third-Party Pump

With so much going its way, one might wonder why **Amazon.com** bothers with Prime Day. The answer is it seems to have become a profitable endeavor. That isn't so apparent on the face of it. Amazon has long used major events to boost sales at the expense of the bottom line. And Prime Day is replete with cut-rate deals for Prime members that hardly seem profitable on their own. For instance, the latest two-day affair that ended Oct. 14 featured price reductions of nearly 25% on the mega-popular AirPods from **Apple Inc.**—which rarely, if ever, makes such cuts on its own. Indeed, Amazon's North American and International retail segments showed a combined operating loss for the quarter including Prime Day for the first three years after Amazon created the pseudo-holiday in 2015, even as other quarters were generally profitable. That has changed as the company's third-party business has grown. Amazon recognizes only a portion of the revenue generated by sales of its third-party merchants. But the margins on such revenue are higher than on its own retail sales, as Amazon isn't bearing the cost of purchasing the goods itself. And the recent Prime Day seems to have been a big one for the third-party business. Amazon said Prime Day sales from third-party merchants surpassed the \$3.5 billion mark—up nearly 60% from last year's event. That still doesn't spell out the revenue Amazon will recognize on those sales. A more accurate read on the effect of Prime Day will likely come with the company's third-quarter results, scheduled for Oct. 29. Those results will include a projection for operating earnings for the fourth quarter that includes this year's Prime Day. Analysts are forecasting a new revenue record of \$5.9 billion, leading to a companywide operating margin of 5.3%. That would be



the highest operating margin Amazon has reported for its fourth quarter since 2004, according to data from S&P Global Market Intelligence. Prime Day does carry some other risks for Amazon. The company shifted the date this year from its usual place in July, due to more pressing demands early in the pandemic. That could have the effect of pulling forward some holiday-related sales. Also, the downside to Amazon flexing its muscles now is that its Prime program and third-party business are now under scrutiny from lawmakers. A report from the Democratic staff of the House Antitrust Subcommittee released earlier this month included several bits of testimony from Amazon's third-party sellers who were critical of the company's market power. It even included a quote from a 2018 Morgan Stanley analyst report, describing the Prime program as Amazon "fortifying an impenetrable moat around its customers." At least Prime Day is no longer a loss leader. —Dan Gallagher

MARKETS

STREETWISE | By James Mackintosh

Boom in SPAC Financings Is Unsettling Trend

Spotting asset bubbles is hard because there is almost always a good underlying reason for what is going on. Canals, railways and the internet really were going to revolutionize the economy. The mistake with bubbles is that prices disconnect from what the new development will justify. The difficulty for those of us trying to spot bubbles is to tell how much is justified and how big the disconnect will become. Today, there are two obvious bubble candidates, and as usual, both come with good underlying reasons for their success. The technology industry's high profits and growth prospects make it a beneficiary of lockdown and of low-forever interest rates, justifying a high valuation. As usual, the question is how high is too high.

The boom in cash shells, or special-purpose acquisition companies, known as SPACs, is in some ways more troubling. One of the characteristics of bubbles is that hope of profit encourages exuberant optimism, and investors hand over money for projects they would never consider in normal times. The apocryphal tale from the 1720 South Sea Bubble of "an undertaking of great advantage, but nobody to know what it is" might seem not so far removed from SPACs today: Investors hand over money in an IPO to be used for an unspecified acquisition. However, SPACs don't require the sort of blind faith in management the way blank-check initial public offerings did in the 1980s or cash shells do in many countries. They are pretty safe. The standard structure gives

investors a vote on any deal, the option to get their money back if they don't like the deal and a deadline of two years to do a deal or hand back cash, almost all of which is held in escrow. Stock promoters can't just siphon off all the money, as they could with blind pools (and with many of the ventures of 1720), and can't do a dumb deal without getting investors onside. Low interest rates help explain some of the growth of SPACs, because they make the downside more palatable. In the worst case—barring fraud—investors can get back almost all their money. In normal times, that money might have earned more interest elsewhere, but with rates at zero, the opportunity cost of a SPAC is low. There should be more demand for them, all else equal. SPACs have a real-world reason to exist, too. They offer a simpler and quicker alternative to an IPO for private companies that otherwise face prodigious amounts of paperwork to list. As one example, **Playboy Enterprises** is going public via **SPAC Mountain Crest Acquisition Corp.**, expecting the deal to close in two to three months, which would be hugely optimistic for an IPO from first Securities and Exchange Commission filing to first trade. SPACs aren't cheap—most managers get stock worth 20% of the cash raised when a deal is completed—but remove the pricing uncertainty of a traditional IPO and offer a speedy listing. Yet I still find the SPAC boom unsettling. The last boom peaked in 2007 along with the stock market and might have been a sign of investors having a



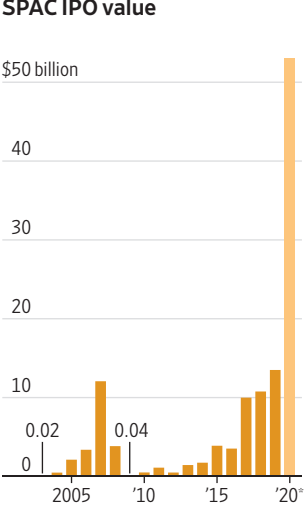
Space-tourism company Virgin Galactic successfully used SPACs, with the shares soaring and then crashing.



get-rich-quick mind-set. If SPACs were one of the many warning signs in 2007, they should be far more so this year: In 2020, so far SPAC IPOs have raised a record \$53 billion, according to Dealogic. Add 2019 and 2020 together and more was raised than in all SPACs since the concept restarted in 2003. **SoftBank** said this week it plans its own SPAC, too, and big names are starting to cash in, with one announced this month advised by basketball legend Shaquille

O'Neal. Even if this isn't a sign of froth, too much money chasing the companies ready for the public markets inevitably drives up prices, suggesting lower future returns. Worse, as SPACs near the end of their life, the managers are incentivized to rush to do any deal, even a bad one. "The fact that there are so many SPACs out there searching for mergers certainly allows an operating company to play them off against each other," said Jay

Ritter, a finance professor at the University of Florida. One successful SPAC manager agreed in private that too much money is already chasing too few good-quality deals. This doesn't bode well for SPAC investors. It is true that they can always reject a deal they think is overpriced and choose not to take part even if other investors liked it, but there is less disclosure than with an IPO so it is harder to assess. As one example, if SoftBank had had

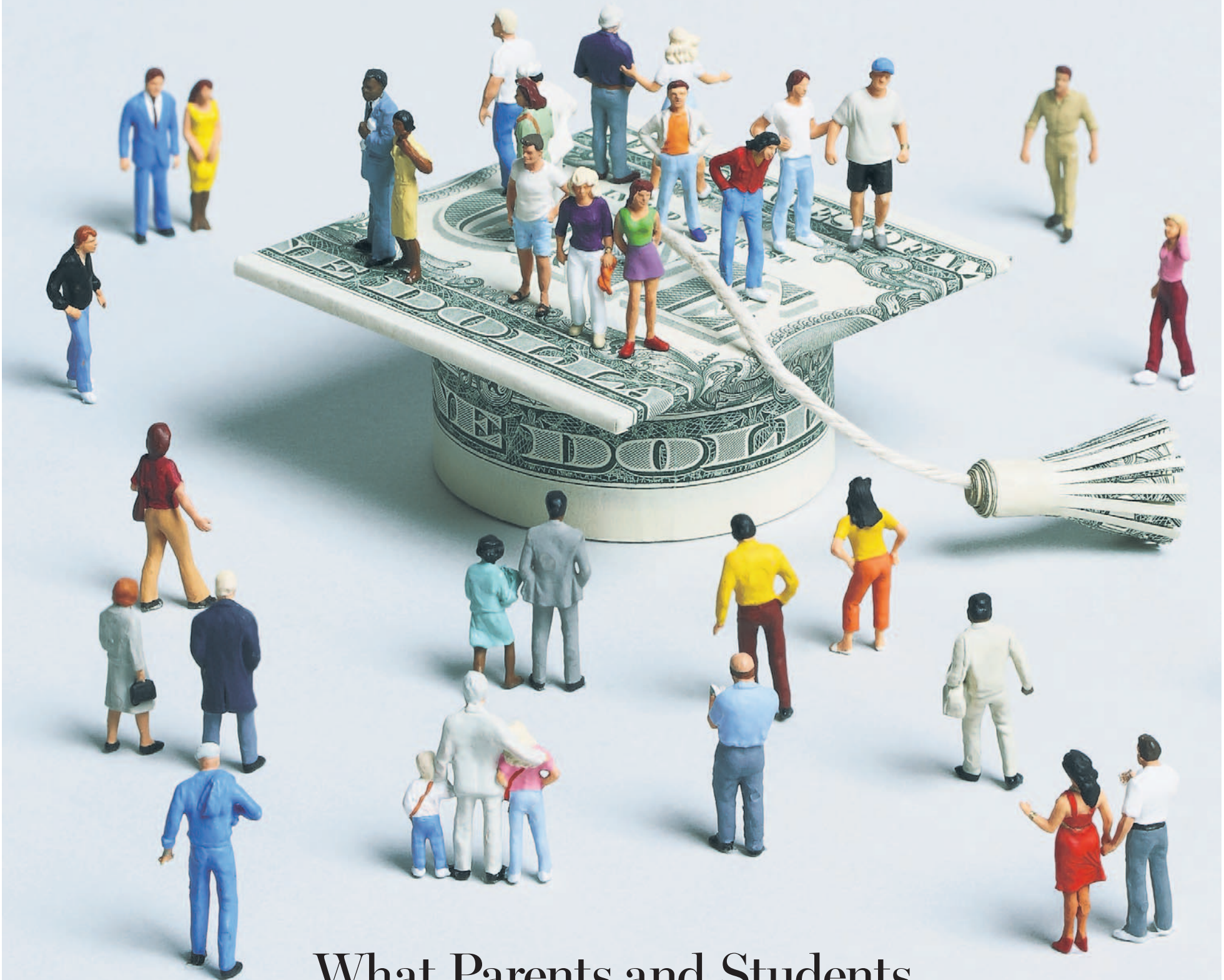


its SPAC up and running last year, WeWork could have avoided the scrutiny of the IPO process and might have made it to the public market before falling apart. Companies with negligible revenue such as space-tourism company **Virgin Galactic** and electric-truck developer **Nikola** successfully used SPACs, with their shares soaring and then crashing afterward—although both remain well above the predeal SPAC price. None of this provides much help in the question of whether this is a bubble. Is the flood of money into tech or SPACs because investors have lost touch with reality? Or is it because the new environment—tech's high profits at a time of historically low rates, or SPACs as an alternative to IPOs—has changed what should count as normal? Things that would have been solid warnings of a bubble in the past are easier to justify today. Intellectually, valuations aren't extreme at a time of free money, and rapid SPAC growth is understandable. I'm left with just the gut feel that it is all too much.

JOURNAL REPORT

WEALTH MANAGEMENT

THE WALL STREET JOURNAL.



What Parents and Students
Should Know About

Applying
To College

The pandemic has all sorts of financial implications that will affect where to apply, how to get aid, where to live and more

By JILLIAN BERMAN

Applying to college is an anxious financial experience for many students and parents. Now, throw in a global pandemic. Covid-19 has upended the college experience, socially and economically, for college students all across the country this year. And now, the uncertainty about what college will look like in the fall of 2021 is weighing on high-school seniors starting their college-application process—and parents trying to figure out how they will pay the tuition bill. Will schools be more generous or less with aid packages as they navigate the financial fallout of the pandemic? Is there more wiggle room to appeal an aid package? Are there still benefits to applying early? Will students who couldn't take a standardized test miss out on merit aid?

Here are answers to those questions and other pieces of advice students and parents should consider before applying to college this year.

Research how schools are handling the pandemic.

As families compile their list of schools, they should be looking into questions like how quickly colleges provided promised refunds to students and what kinds of fees they are charging students this year, says Faith Sandler, the executive director of the Scholarship Foundation of St. Louis. In some cases, colleges that have chosen to educate students largely remotely have waived many of the fees associated with campus. In other cases, schools may have raised or charged a

Please turn to the next page

Inside

• Ask Encore

Retirement Anxiety: When spouses are in different places when it comes to the security of their next egg. **R6**



Mood Swing

Your feelings about Covid-19 may be unconsciously affecting financial decisions. **R8**

• Young Money

A couple gets married for love—and for her health insurance. **R10**

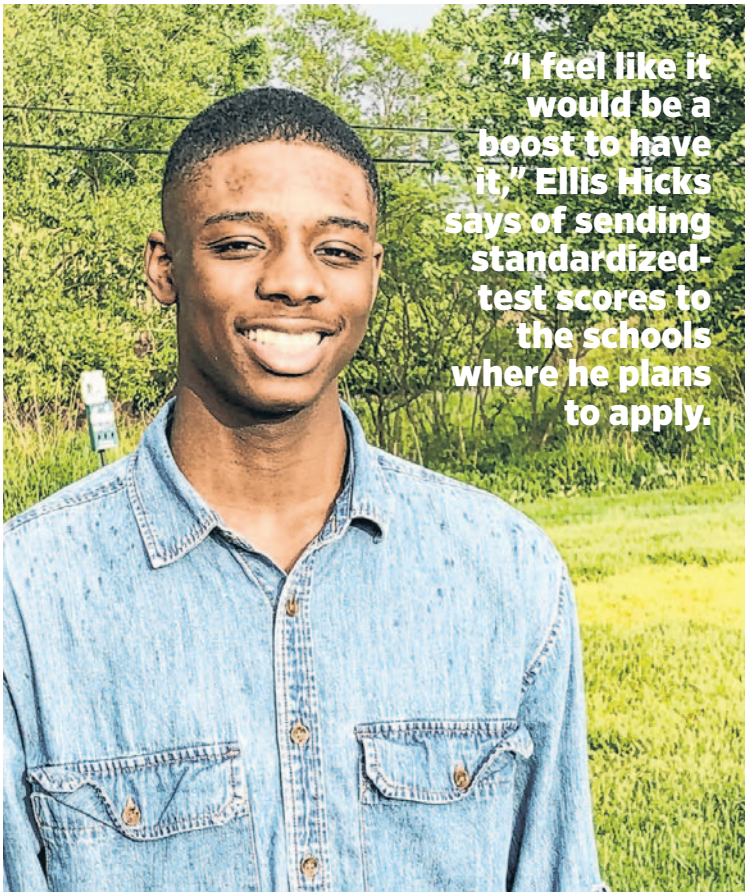


• Tax Tips

A few tactics, deductions and other changes to consider before the end of the year. **R12**



Applying To College During the Pandemic



“I feel like it would be a boost to have it,” Ellis Hicks says of sending standardized-test scores to the schools where he plans to apply.

Ellis Hicks is paying attention to how schools are handling the pandemic.

Continued from the prior page
new technology fee for the delivery of online courses. Ellis Hicks, a 17-year-old high-school senior from Cleveland, says he is paying attention to how colleges have treated students during this period, noting he would be disappointed to learn a school he was interested in was charging students a technology or other fee for online courses. “That just sounds outrageous,” he says.

● **Complete financial-aid forms as early as possible—and ask about a school’s financial-aid policies.**

Given revenue pressures on colleges, it is likely that at many schools, particularly those with smaller endowments, the financial-aid budget won’t be as large as in previous years, experts say. The economic downturn may also put state financial-aid programs at risk.

In some cases, these initiatives, particularly the state aid programs, are first come, first served. The earlier families are able to submit their financial-aid information to colleges, the more likely they are to get an answer earlier about the kind of award they might receive.

In addition to filing early, Danny Ruderman, an independent college counselor based in Los Angeles, suggests families call the financial-aid offices of the colleges they are interested in to find out how their financial-aid policies may have changed in light of the pandemic. In some cases, colleges that can afford it have increased their financial-aid budgets to help families whose financial circumstances have changed cope.

Every week, Scot Marken spends about 15 hours calling financial-aid officers and college-admissions representatives probing for the information necessary to ensure that by spring his daughter, Hannah, will have an option for college that she’s excited about and that the family can afford.

“I’m a spreadsheet sort of guy,” Mr. Marken says, explaining his approach to the process. When his son, who started college in fall 2020, was applying, the pair’s exhaustive research led them to a list of schools that were affordable and fit his son’s needs.

Now, Mr. Marken is adapting his approach to the application process for his daughter, who is a senior in high school. He is asking questions like whether public colleges to which his daughter is applying out of state offer need-based aid to out-of-state students and if so, whether they meet the same percentage of need as for in-state students.

Mr. Marken is also asking some questions that are particular to the pandemic era. For instance, he wants to know whether a college is planning to meet the same percentage of need this year as in previous years, given revenue pressures.

It has been disappointing to remove schools from her list because they’re not financially feasible, Hannah Marken says. Still, the process has helped her look at other opportunities, including schools that have a large scholarship available for something she fits the criteria for.

“I’m being more realistic,” Ms. Marken says. “I don’t want to get my hopes up too much about schools that aren’t possible.”

61%
of families believe Covid-19 will not impact their education in the long run

83%
of parents paid for a portion of their child’s out-of-pocket education costs for the 2019-2020 academic year

9 in 10
families say college is an investment in their student’s future

\$30,017
Average amount families spent on college for 2019-2020

Making the Cut
Students eliminated schools from their list based on...

54%
the cost at the beginning of the process before deciding which schools to research

57%
the cost before deciding which schools to apply to

57%
the financial-aid packages and understanding how much they would be expected to pay

44%
where the student had been accepted

Funding Sources

44%
Parent savings/income

25%
Scholarships/grants

13%
Student borrowing

8%
Student income/savings

8%
Parent borrowing

1%
Relatives

Just 71%
of families filed the Fafsa for 2019-2020 academic year

Source: Sallie Mae’s How America Pay for College 2020, conducted by Ipsos

● **Explain from the start how your financial circumstances have changed.**

The Free Application for Federal Student Aid, which is used to assess financial need, pulls a family’s financial information from two tax years prior. In other words, students applying to attend college in fall 2021 will have their financial need assessed based on information from 2019 tax returns.

But for many families, the ability to pay for college looks very different in 2020 than it did in 2019. If that is the case, they should be prepared to explain any special circumstances up front, even before they receive an aid offer, experts say.

That is the approach Mr. Marken is taking. He has worked at the executive level in the non-profit space and wrapped up a long-term consulting job right as shutdown orders started settling in across the country. “It’s been very difficult to get a job during Covid,” he says.

“One thing that I’ve been counseled to do is to go ahead and when my daughter applies at the same time send in a letter to financial aid asking for professional judgment review,” he says.

Mark Kantrowitz, the publisher of SavingforCollege.com, suggests families list each special circumstance—for example, a job loss or family medical event, including those related to Covid-19—that may necessitate an appeal, describe it and explain the financial impact of the job loss or other change. In addition, he advises families to attach copies of any documentation that could help bolster their claim. Families can do this at any time, though it is best to provide a school with this information after they have already sent in their financial-aid forms.

SwiftStudent, a tool launched earlier this year by the nonprofit Seldin/Haring-Smith Foundation, helps applicants populate letters they can use to appeal for more financial aid.

● **Make college lists with price negotiation in mind.**

Even before the pandemic, colleges were bracing for a drop in enrollment due to demographic trends. That, combined with uncertainty surrounding whether students may continue to delay enrollment, means that “colleges have to be scrambling around more than ever

“I’m being more realistic,” says Hannah Marken. “I don’t want to get my hopes up too much about schools that aren’t possible.”



to get kids to fill their seats,” says Andy Lockwood, a Long Island-based college-admissions and financial-aid consultant.

For families who can afford to pay near-full tuition, that dynamic could provide an opportunity to negotiate. Given that they need to meet enrollment and revenue targets, colleges are eager to enroll students who can pay close to or full freight. Perhaps counterintuitively, to draw these families, colleges will offer discounts in the form of merit aid. Though they won’t get the full tuition from these families, they’ll likely get more money than they would from a family with more financial need.

One of the keys to negotiating successfully is to apply to colleges in a similar peer group—for example, two colleges with exceptional communications programs—Mr. Lockwood says, and then, “mercilessly and ruthlessly play them off each other when you get offers.”

A consent decree reached last year between the Justice Department and the National Association for College Admission Counseling will likely also give families an advantage. In the past, colleges, through the member association, agreed not to attempt to poach students who had already committed elsewhere after May 1, when colleges traditionally asked students to make deposits.



“It makes me feel better that I could still keep my plan,” Michelle Dang says of adding a community college with a nursing program to her school list.

Michelle Dang is considering the possibility of remote learning next year.

WEALTH MANAGEMENT



When Living On Campus Helps a GPA

By LISA WARD

Colleges typically require freshmen to live on campus in dormitories. The idea is that total immersion in campus life increases students' chance of academic success. But is that true?

A recent paper suggests that it is—for certain students.

The biggest beneficiaries of living on a campus were incoming freshmen with high-school grade point averages or ACT scores that put them in the bottom third of their class, according to the paper.

For these students, dormitories reduced the likelihood that they would either fail or drop out of school. For example, among students with high-school GPAs in the bottom tercile, those who lived in a dorm were about 13% less likely than commuting students to have a freshman GPA of less than 1.5, the threshold for academic dismissal. Students in this category who lived in dorms also were almost 9% more likely to return for a second year of school.

"The positive effects of dormitory residence are concentrated among the lowest tercile," says C. Lockwood Reynolds, an associate professor at Kent State University's College of Business Administration and the paper's author. For students in the top two terciles of high school, living in a dormitory had no significant statistical effect compared with commuting students in terms of returning for a second year, or having a GPA that falls below 1.5. For example, Dr. Reynolds says students in the top two terciles who lived in a dormitory freshman year were only about 1.1% more likely than commuter students to boost their GPAs above 3.3, the threshold for honors colleges.

The study uses data on almost 6,000 full-time, in-state students between 1997 and 2007 at a large, unnamed Midwestern university that requires freshmen to live on campus unless their homes are a certain distance from the school, in which case they have the option of commuting from home. Students who chose to commute became, in effect, the study's control group. Dr. Reynolds tested to ensure there was no influence from variables such as ZIP Code and commuting times, or social, economic and demographic variables, such as parental income and education. (Previous studies on this topic compared different schools, making it hard to account for other variables that contribute to student success.)

Dr. Reynolds suspects incoming freshmen with lower ACT scores or grades benefit by learning from their peers. By living in a dormitory, challenged students learn better study habits by watching or even collaborating with their peers. Living in the dorms may also help students learn about academic resources on campus, such as office hours, tutoring services and study groups, Dr. Reynolds says.

For college freshman taking classes online during the pandemic, Dr. Reynolds says he thinks similar dynamics will be at work. He predicts that the top students will be fine, but that students at the other end of the spectrum may have trouble navigating college online and might be overwhelmed by all the academic and administrative information thrown at them by email, websites or online portals.

"The pandemic," he says, "is likely to widen the gap between the top and bottom students."

Ms. Ward is a writer in Winhall, Vt. She can be reached at reports@wsj.com.

Now schools are able to offer discounts and incentives to draw students away from rival schools.

Reconsider the early-decision route.

Students who apply early decision typically make a binding commitment to the school to attend if accepted. That means they give up the opportunity to see what other financial-aid offers are available and may lock themselves into a school that costs more than what they can afford when it comes time to enroll.

"Unless you know where you really, really want to go or finances are not a concern, this year may be a better year to wait," says Jeffrey Selingo, the author of "Who Gets In and Why: A Year Inside College Admissions." That is not only to give families enough time to assess their own financial situation, he says, but also because by the time March, April or May come around, colleges "might be slightly more desperate to enroll students and might offer more money later in the spring than they would have in other years."

Applying to a college early action allows students to submit their applications and receive an answer to them early in the application cycle without requiring them to commit to the school. That can be a good option for students this year, Mr. Selingo says. Since colleges may be nervous about filling their classes this year, he estimates that they may recruit and accept more early-action applicants than typical.

"It's almost like the NFL draft, you pick the players you want the most, first," he says.

But even if students receive an acceptance letter and financial-aid package early, they should wait to commit until they've had a chance to compare offers, Mr. Selingo says.

Ms. Marken is planning to submit 10 early-action applications next month. She and Mr. Marken talked about the idea of applying early decision but determined it wasn't feasible in large part because they couldn't commit financially to a school so early in the process.

This summer and fall, Ms. Marken had been trying to keep to a schedule of completing a few essays per week, but in late September she was diagnosed with Covid-19, delaying her progress, she says.

She says she felt lucky that her symptoms were relatively mild, but they still required her to miss some of her remote classes and tests. Her teachers have been very ac-

commodating, she says. Nonetheless, "I don't want to fall behind," she adds. "That might affect my semester grades and I'm afraid of how that might impact my acceptance to those schools."

Determine how a lack of standardized testing could impact merit scholarships.

More than two-thirds of U.S. four-year colleges and universities won't require students to submit SAT or ACT test scores as part of their application this cycle, according to the National Center for Fair & Open Testing Inc., an organization that advocates for test-optional policies at colleges.

Still, some experts say if students are able to take standardized tests they should. Mimi Doe, the co-founder of Top Tier Admissions, an independent college-counseling service, says admissions officers are looking for fresh data, given that so many high schools switched to a pass/fail grading system in the spring. Students who live within an hour of an available testing site should take the test, she says.

Even though at many schools students may be able to be evaluated for admission without the tests, they could play a role in determining merit-aid awards, Mr. Lockwood says. He advises students to sit for the test, "just to give yourself that arrow in the quiver."

Mr. Selingo suggests families ask a financial-aid office specifically whether they'll be using a standardized-test score to evaluate students for merit aid.

Mr. Hicks says he isn't willing to take the chance. He's sending standardized-test scores to the schools where he plans to apply. "If you have a chance in your area" to take the test, "you might as well try to take it as best as you can," he says. "I feel like it would be a boost to have it now."

Rethink housing.

Families may want to reconsider how they approach housing. Many colleges have offered freshmen the flexibility to live off campus or at home this fall, an option Ms. Dodds expects will be available for

▲ **Scot Marken** says he spends about 15 hours weekly calling financial-aid and college-admissions offices.

Average undergraduate tuition and fees for the 2019-20 academic year

\$3,730

Two-year public

\$10,440

Four-year public in-state

\$26,820

Four-year public out-of-state

\$36,880

Four-year private nonprofit

Source: College Board's Trends in College Pricing 2019



Financial-Aid Package

\$15,210

Average aid received by undergraduate students for the 2018-19 academic year

\$9,520

Grants

\$4,410

Federal loans

\$1,210

Education tax credits

\$70

Federal work-study

Source: College Board's Trends in Student Aid 2019

students entering college in fall 2021. If that is the case, and a student is considering a large public college where most students lives off campus, it might be more affordable to pay for an off-campus apartment instead of a dorm.

Still, families should remember that if students live off-campus, they likely won't be able to break leases with their landlords if classes become remote. That means they could wind up paying rent for months when they don't live in the apartment.

Keep your options open.

As students prepare their college lists, they should be working on parallel paths: one, that if the pandemic subsides by fall 2021, will offer an in-person residential-college experience; and a second that offers an alternative if in-person attendance is shut down or scaled back.

That means high-school seniors should be looking at alternative options including community college for a semester, a gap-year program or available paid work. That way, if in fall 2021 it looks like in-person learning will be remote or limited, students have a more affordable, remote option available.

Families should be cognizant of how some alternatives could affect financial aid, however. Students who earn too many community-college credits, for instance, may not be considered a freshman for financial-aid purposes at some colleges, even if it is their first year, says Anna Ivey, an independent college-admissions consultant. Some schools offer less financial aid to transfer students than those who are first-time freshmen.

Up until about a month ago, Michelle Dang was pretty certain she would continue with her original college-application plan, despite the pandemic. The 17-year-old's goal is to attend California State University, Fullerton to study nursing. But one of her teachers urged her to think about the possibility that classes still may be offered remotely next year.

Now, in addition to schools like Cal State, Fullerton, Ms. Dang, who lives in Riverside, Calif., says she's applying to her local community college. "I don't know if I want to pay so much for school that's going to be online," she says.

Ms. Dang says she also was attracted to the community-college option because the school she's considering has a good nursing program. "It makes me feel better that I could still keep my plan."

Ms. Berman is a reporter for Marketwatch.com in New York. Email: jberman@marketwatch.com.

JOURNAL REPORT | WEALTH MANAGEMENT



College Savings in the Age of Covid

By Cheryl Winokur Munk

The pandemic has drastically affected the finances of many families, making saving for college more challenging. Uncertainty about job stability, fluctuating markets and how long the pandemic will last are putting added pressure on parents whose children are approaching college age. And some traditional ideas about college savings are being challenged, such as the desirability of saving for a name-brand school when so many are currently online-only or are holding only limited on-campus classes.

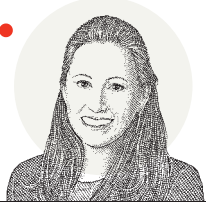
With these issues top of mind for many families, The Wall Street Journal invited three experts to discuss college financial planning: Dan Hill, president and chief executive of Hill Wealth Strategies in Richmond, Va.; Nicole Strbich, director of financial planning at Buckingham Advisors in Columbus, Ohio; and Jeffrey Swett, financial adviser and senior portfolio manager at UBS and leader of the Swett Wealth Management Group in Boston. Here are edited excerpts of the discussion.

So long, 529s?

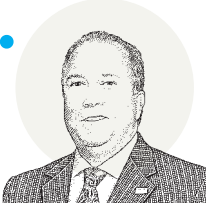
WSJ: What specifically are you telling parents to do differently now in terms of saving for college because of the pandemic?

• **MS. STRBICH:** We are advising parents to keep more of their savings liquid. This could mean not committing to a 529 plan or investing in potentially volatile equities in the event that the money may be needed due to a job loss or income reduction instead. They can look to borrow funds for tuition when the time comes or use the cash that they have been saving. Though there is the poten-

Three experts talk about how their advice has changed due to Covid-19



NICOLE STRBICH



DAN HILL



JEFFREY SWETT

tial to miss out on investment growth in this circumstance, you are avoiding volatility and potential loss on funds that you may need in the short term.

• **MR. SWETT:** Parents may find it helpful both financially and emotionally to carry a higher cash balance than usual. Keeping some equity exposure in a college-savings plan until withdrawal is typical, but reducing that equity exposure and increasing cash at this point may be both timely and comforting. This can be particularly helpful for parents who will be writing tuition checks within the next couple of years.

• **MR. HILL:** I've been speaking more to my clients about other options that may make more sense right now, such as volunteering in a gap year or studying at home and taking classes online while attending a local community or university program. I also continue to reaffirm to my clients to continue to save. If those savings aren't formally applied to tuition, then they can be applied for new supplies including a tablet or transportation, should their child choose to work or volunteer outside of the home.

WSJ: What are you advising people who have children nearing college about continuing to contribute to a 529 plan, given the uncertainty in the market and possibly their finances?

• **MS. STRBICH:** For students who will be using their 529 accounts in the near term, the growth potential on any new deposits is low since they are invested more conservatively, so it may not be worth making a contribution now. In this situation, if you are in a state that provides a tax deduction for contributions, consider delaying the deposit into the 529 account until you know the funds will be available for college expenses. Then deposit the funds into the 529 account and turn around and take a distribution to pay tuition. There is no benefit of tax-free growth, but you retained control and use of your funds and then get a state tax benefit for the 529 contribution.

• **MR. HILL:** I advise them that it is still a good idea to save in a dedicated 529 savings plan. This is important to do because if the child closest to college age doesn't use it for college, it can still be used for their other educational goals, including professional development. If they don't use it at all, then it can be passed on and applied to another person's education.

WSJ: For many parents with children nearing college age, their 529s may be essentially parked in low-risk investments. What should they do now if they see that they are falling short of the money they are going to need?

• **MR. HILL:** Consider increasing your own contributions, if you are able. If you increase the risk, it can lead to the possibility of losing more of your money. Another great thing about 529s is that family can also contribute to your child's plan. If you're falling short, consider asking family members to contribute to the plan for birth-days, holidays and graduation.

• **MS. STRBICH:** We're also advising parents to start preparing a plan for how they will handle these costs by completing a Fafsa estimate, understanding expected tuition cost, and looking for scholarship and award opportunities.

Other approaches

WSJ: What other college-savings recommendations are you offering parents amid the current environment?

• **MS. STRBICH:** We advise clients to allocate savings for education between 529 accounts, investment accounts in their name and Roth IRAs, if you are eligible to contribute. This approach allows savers to take advantage of the tax savings offered in 529s and to retain flexibility of the assets in the Roth IRAs and investment accounts to help you if life throws you a curveball.

• **MR. SWETT:** For parents who are interested in longer-term saving for college, it may be worthwhile to consider investing in defensive sectors such as health care, consumer staples and utilities. Those sectors tend to pay dividends and may hold their values more effectively in difficult economies. Additionally, this exposure can be attained within formalized college plans or in traditional brokerage accounts for those who prefer a less formalized strategy.

WSJ: We've heard that utilizing a Roth IRA more often for college savings could be a good idea. Is this a good option in this environment vs. a 529, and why or why not?

• **MS. STRBICH:** For funds that are certain to be used for education, a 529 account still has more tax advantages, especially if you live in a state with a tax deduction for 529-account contributions. If you may not need the funds for college tuition, or you could have a job change that may require you to access some of these funds, a Roth IRA would be the better choice, as you can always access your contributions penalty-free.

Ms. Munk is a writer in West Orange, N.J. She can be reached at reports@wsj.com.

The Game Plan

Retired From the Air Force, He Needs to Cut Expenses and Pay Off Debt

By Lisa Ward

Joshua Wright, a freshman at Kent State University, is not your typical college student. He and his wife, Melissa Wright, live in nearby Rootstown, Ohio, with their three children ages 8, 12 and 14. Mr. Wright is a retired Air Force veteran, 45 years old, and attending Kent State on the GI Bill. The military covers 100% of his tuition, provides a stipend for school supplies and pays \$1,200 a month toward the Wrights' living expenses. That is a big help for the couple, whose immediate financial goals are to reduce their monthly expenses and pay off debt. Mr. Wright, an applied-engineering major with a minor in sustainable energy, plans to work for a sustainable energy company when he graduates. Ms. Wright, currently a stay-at-home mom, was an accounting manager at a property-management firm before the children were born. The Wrights were living in Kansas in 2019 when their home flooded. Their \$35,000 of renters insurance didn't cover all expenses, so they made up the difference by using credit cards. Mr. Wright also receives \$1,800 a month in Air Force retirement pay and \$2,400 in veterans disability. And, even though they now live in Ohio, the couple

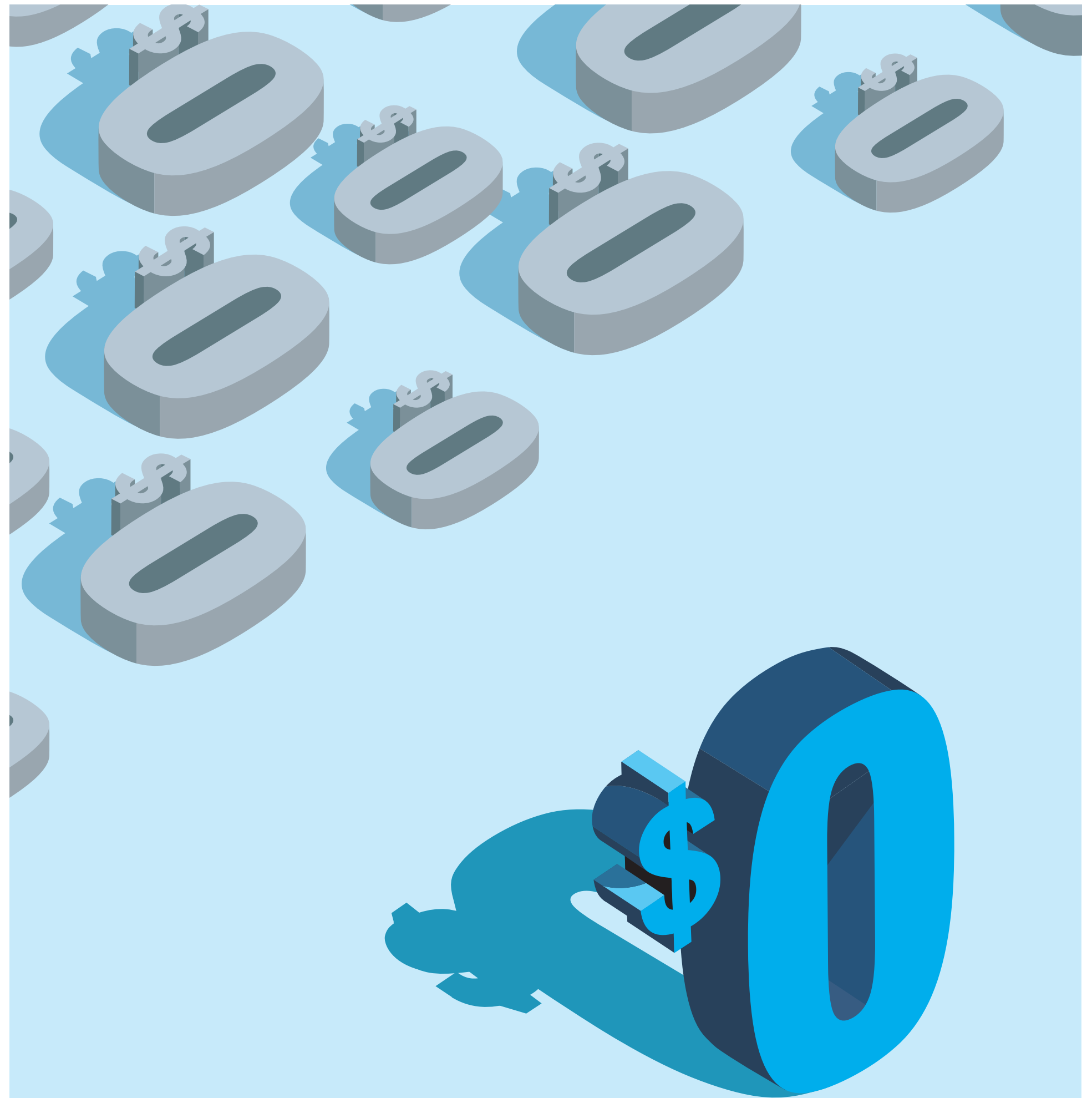


The Wrights want to be in a position to save money for college and retirement.

receives an \$800-a-month stipend from the state of Kansas because they adopted two of their children from foster care there. The Wrights bought their home for \$230,000, using a 30-year, fixed-rate VA loan at 4.1% that required no down payment. They have two auto loans: \$27,000 and \$12,000. They also have \$30,000 in debt spread over 14 credit cards. Monthly bills include a \$1,429 mortgage; \$895 for two car payments, plus \$150 in	car insurance; \$770 to service credit-card debt; \$400 for groceries; \$220 utilities and trash; \$185 for cellphone and internet; \$100 for kids expenses, \$300 eating out, \$200 for life insurance and \$16 dental insurance. Health insurance is covered by the military. After paying down their debt, the Wrights would like to continue to reduce monthly expenses and then be in a position to save money for retirement and help their children pay for education.
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Advice from a Pro. Dan Andrews, a certified financial planner with Financial Planning Fort Collins, in Fort Collins, Colo., says now is a good time for the couple to rethink their approach to their finances. Developing good habits now will help them enormously once Mr. Wright graduates and increases his income, Mr. Andrews says. First, they need to cut their spending. About 20% of their monthly income is going to car payments. Replacing the more expensive car with something cheaper, yet equally safe, could save roughly \$300 a month. Next, if they spent \$100 at restaurants instead of \$300 and cut their cell-phone bill by \$50, perhaps with a military or student discount, they would have an extra \$550 a month. That, along with the roughly \$540 a month currently left after expenses, means a surplus of almost \$1,100 a month. Half of that surplus should then be used to build up an emergency fund of about \$25,000 for five months of expenses, so they can avoid using credit in an emergency. They should put that money into a high-yield savings account that is separate from their checking account. The other half should go to paying down credit-card debt.

Ms. Ward is a writer in Winhall, Vt. She can be reached at reports@wsj.com.



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JOURNAL REPORT | WEALTH MANAGEMENT

Ask Encore • Glenn Ruffenach

Retirement Anxiety
When Spouses Are In
Different Places

Women have good reason to feel less secure about the size of a nest egg

My wife and I are approaching retirement. I think our nest egg is in good shape, but my wife is worried that our expenses will be larger than we think and that, in the long run, we might run out of money. She even talks about delaying our retirement. I have assured her that the numbers work, but she's still anxious. Any thoughts?

This question gives me the chance to highlight an issue that can get overlooked in retirement planning: the financial burdens that women, in particular, face late in life.

First, I applaud the fact that you and your wife are talking about retirement budgets. (Many couples don't.) I'm not sure what, specifically, is prompting your wife's concerns, but it might help her to know that she has lots of company.

Consider: A survey last year by the National Council on Aging and Ipsos, a polling and data firm, found that fully half (51%) of women age 60 and older are worried about outliving their savings. In the same survey, almost six in 10 women (59%) said they are worried about losing their independence.

Why these fears? The answers, in large part, are tied to longevity and health care.

Women, of course, typically live longer than men—about five years, on average—and are more likely to live their final years alone. In 2019, almost half (44%) of women age 75 and older in the U.S. lived alone, according to the Administration on Aging. Living longer and living alone typically mean more health problems. And more health problems mean more medical bills and, potentially, the need for long-term care.

In short, women can face expenses late in retirement that are larger and more painful than many couples might anticipate.

In a 2017 report, HealthView Services Inc., a provider of software for

retirement health-care costs in Danvers, Mass., calculated that a healthy 65-year-old woman retiring in that year and living to age 89 could expect to pay \$306,426 for health care, including premiums for Medicare Parts B and D, a supplemental insurance policy, and all out-of-pocket costs, as well as dental and vision care. A man at the same starting age and living to 87 could expect to pay \$260,422. (And those projections don't include the potential cost of long-term care.)

The good news: There are strategies and tools that can help couples prepare for these outcomes, such as long-term-care insurance, life insurance, deferred annuities and reverse mortgages.

Several calculators can provide ballpark figures about medical expenses in retirement. Fidelity Investments, Optum Bank and ICMA-RC, a Washington-based nonprofit that provides retirement plans and services, are among the institutions that have them. (Search online for the name of each institution and the words: calculator cost of health care in retirement.) In addition, Money-

Habitudes.com has activities designed to get people comfortable talking about their finances.

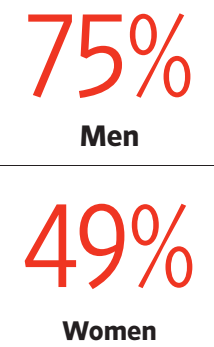
Of course, a good financial adviser also can make a difference. But the most important step is to talk before retirement about how your finances might play out when you get there—which, thankfully, you and your wife appear to be doing.

I am going to be 70 in mid-December. What is the latest date I can take a required withdrawal from my 401(k), and what is the date of the subsequent second withdrawal? I believe the age was changed to 72, which would be 2022 for me. I think the withdrawal deadlines are confusing, particularly when a person wants to avoid having to take two withdrawals in the same calendar year.

First, you are correct: The Secure Act, which became law in December 2019, changed the beginning dates and ages for required minimum distributions. Second, you are also correct: This can get confusing.

The new rules state that if your 70th birthday is July 1, 2019, or later (obviously, this includes you), you don't have to take withdrawals until you reach age 72. The rules also state that you have until April 1 of the year following the year in which you turn 72 to take your first RMD.

People over age 65 living with a spouse or partner



Women can face expenses late in retirement that are larger than many couples might anticipate.

So if you reach age 72 in mid-December 2022, you must take your first RMD by April 1, 2023. If you wait until April 1, you will be required to take two distributions in 2023: The first RMD (which you must take by April 1, 2023) will apply to 2022, the year in which you turned 72. The second RMD, which you must take by Dec. 31, 2023, will apply to 2023.

Of course, there is a way to avoid taking two RMDs in a single year. If you turn 72 in mid-December 2022, you can take your first RMD by Dec. 31, 2022. Then, you can take your RMD for 2023 at any point during 2023.

The Internal Revenue Service does a good job of explaining all this. Go to irs.gov and search for “rmds.”

My question relates to Social Security and the best scenario for my wife and myself. I was told that to maximize our benefits I can elect to begin benefits at age 68 but postpone until 70, and my wife can receive 50% of my benefit and then claim her benefit at 70. Is this correct?

I'm afraid this strategy is no longer available.

To be specific, this was known as “file and suspend.” And it used to be quite popular. A husband (and it was usually a husband) who reached his full retirement age could file for Social Security—and then turn around and suspend his payouts. At that point, his wife (assuming she was 62 or older) could begin collecting Social Security benefits. In the meantime, the husband's suspended benefit would continue to grow, thanks to delayed retirement credits.

In short, it was a sweet deal. But Congress eliminated this particular practice in late 2015. The last point in time when couples were able to take advantage of this strategy was April 2016.

Mr. Ruffenach is a former reporter and editor for The Wall Street Journal. His column examines financial issues for those thinking about, planning and living their retirement. Send questions and comments to askencore@wsj.com.



That Extra Penny in Retirement Income Could Really Cost You

Making more money can mean much higher Medicare premiums

By NEAL TEMPLIN

Here's something most people nearing the age of 65 don't know: Extra income in retirement—even as little as one penny—can mean much higher Medicare premiums.

Medicare has six income brackets that determine premiums, and going just a penny over an annual income threshold can cost you hundreds of dollars in additional premium expenses for a year.

“It's a big surprise to a lot of people,” says financial adviser Megan Miller of Boulder, Colo., who adds that many clients assume Medicare will be free.

Here's how the Medicare math works. If you're a single person with modified adjusted gross income up to \$87,000, or a married couple with income up to \$174,000, you will pay the basic Medicare premium this year of \$144.60 monthly. (Part B premiums for 2021 haven't been released yet.) But the premiums rise quickly. For a single person earning more than \$163,000 and less than \$500,000, or a couple filing jointly who earn above \$326,000 and less than \$750,000, the premium is \$462.70 a month per individual.

Modified adjusted gross income is calculated by taking your ad-

justed gross income from your tax return and adding tax-exempt interest. Interest from municipal bonds, even though it's not taxed by the federal government, can still push you into a higher Medicare premium bracket.

So, what can you do? Here are some maneuvers that accountants and financial advisers use to avoid or cushion the financial blow of higher Medicare premiums.

The government now requires

that you begin making distributions from taxed-deferred accounts at age 72. While RMDs have been halted this year because of the pandemic-induced recession, they will return next year.

Many upper-income retirees have bulging individual retirement accounts, and RMDs are a big reason they end up paying higher Medicare premiums.

The best way to avoid high RMDs is to begin reducing tax-deferred accounts well before age 72. Often, people who have just retired and haven't yet begun taking Social Security are in a low tax bracket for several years. That makes it an ideal time for Roth

conversions, in which money in tax-deferred accounts is converted into after-tax Roth account money. People doing Roth conversions must pay income taxes on each dollar they convert so it makes sense to do conversions when they're in a lower tax bracket.

Roth conversions will reduce the balance in your tax-deferred accounts, thus lowering your RMDs. And you'll end up with a stash of financial assets in the Roth, which can be spent without pushing you into a higher Medicare bracket. Roth conversions likely don't make sense for those who have already begun drawing down tax-deferred accounts. But everyone should keep their Medicare brackets in mind nonetheless.

Marianela Collado, a certified public accountant in Plantation, Fla., says she works with a California couple who pull \$10,000 out of their tax-deferred accounts each month, an amount in excess of their RMDs. In some years, she says, the couple is able to lower their tax withholding for the last month or two without running afoul of IRS rules. That allows them to take out less than \$10,000, which keeps them out of a higher Medicare bracket.

People on the brink of being pushed into a higher Medicare bracket can frequently dodge the bullet by pulling money out of an after-tax account or Roth IRA for a month or two instead of a tax-deferred account. Or they can defer an expense like a car purchase until the next year.

People with charitable intentions can score a double-win by donating straight from their tax-deferred account. A qualified chari-

table deduction can replace up to \$100,000 of their RMD, reducing the income that determines their Medicare bracket. You must be at least 70½ to use this tax break.

Don't forget that the donation must come straight from your tax-deferred account to pass muster with the Internal Revenue Service.

“You don't want to take the money out of your 401(k), put it in the bank, and write a check,” says William Reichenstein, head of research for Social Security Solutions Inc. and finance professor emeritus at Baylor University. Instead, ask the manager of your account to draft a check straight to the charity. Some account custodians will issue checkbooks linked to your IRA.

The Social Security Administration, which administers Medicare, realizes that there are life events that lower seniors' incomes. Suppose an executive retires midway through 2018 but still has high income that year from salary, bonuses and exercising stock options. She goes on Medicare in 2020.

Medicare looks at income from two years earlier to determine a person's premiums. So her 2020 premiums would normally be based on her 2018 income. However, she can file a form and ask for the government to base her premium on her much lower expected 2020 income. The government is pretty good about granting relief for qualifying life events such as deaths, divorces, retirements, loss of work and even loss of income from income-producing properties.

Mr. Templin is a former reporter and editor for The Wall Street Journal who lives in New Jersey. He can be reached at reports@wsj.com.

Monthly Medicare Part B premium	Income Thresholds	
	Single filers	Joint filers
 \$144.60	\$87,000 or less	\$174,000 or less
 202.40	\$87,000.01 up to \$109,000	\$174,000.01 up to \$218,000
 289.20	\$109,000.01 up to \$136,000	\$218,000.01 up to \$272,000
 376.00	\$136,000.01 up to \$163,000	\$272,000.01 up to \$326,000
 462.70	163,000.01 to less than \$500,000	\$326,000.01 up to less than \$750,000
 491.60	\$500,000 and above	\$750,000 and above

Source: Medicare.gov

Financial Questions Every Art Collector Should Ask (But Too Often Don’t)

Among them: What if a collection is a financial burden?

By DANIEL GRANT

For many people who collect art, the financial issues are an afterthought. Sure, they don’t want to overpay for a piece of art, and they don’t want to lose money if they have to sell. But there are all sorts of other money questions that they don’t even think about.

To better understand those issues, we asked financial advisers who specialize in art a simple question: What financial questions should art collectors be asking you, but often don’t?

Here are some of those questions—and answers.

Does my art collection need to be managed like a financial asset?

The short answer is yes, in many cases. It isn’t easy. That’s because it can be hard to keep track of how much of one’s investment portfolio is tied up in art, in part because it’s more difficult to gauge the day-to-day value of art vs. traditional securities.

Advisers sometimes see cases where clients’ assets—much to the surprise of the clients—become overweighted in art. That becomes a particular problem when the client lacks enough liquidity and cash flow to support his or her lifestyle and other assets can’t be tapped. Even if a collection has lots of pieces that can be sold, advisers say, art tends not to be reliable as a liquid asset.

“The value of American paintings often falls when the U.S. equities market is depressed.”

Another issue to consider is how correlated the value of their art can be with other assets. “The value of American paintings often falls when the U.S. equities market is depressed,” says Andy Augenblick, president of Emigrant Bank Fine Art Finance, since American paintings are collected primarily by Americans. When art has more global appeal, with an international collector base, he adds, its value is less affected by national or regional economies.

Artwork also needs to be looked at in terms of how it contributes to the overall riskiness of a portfolio. If clients spend money on more and more works of art, they may be “inadvertently changing the risk profile of the portfolio, not only to become more illiquid but potentially more aggressive,” says Sarah McDaniel, head of the Art Resources Team of Morgan Stanley Wealth Management’s Family Office Resources.

If I need to sell some art right away to raise cash, what are my best options?

Advisers sometimes recommend selling pieces when the market for those pieces is strong. Selling into a strong market can be a good way to improve liquidity, and if the piece has a high cost basis to begin with, the capital-gains taxes might not be significant.

If the tax is likely to be significant, however, the collector might want to con-

value through a fair-market-value tax deduction and use the art to satisfy philanthropic objectives.”

My collection is becoming a financial burden, but I want to keep my art. What can I do?

As an investment, art is a “negative cash flow,” says Ms. McDaniel. It costs money to conserve,

insure, store and ship. Ms. McDaniel says she talks to clients about ways of easing the financial burden art collections can pose. Those who can stomach the risk, for example, might consider borrowing against the art as collateral, and investing that money with an eye toward using the gains to help maintain the collection and service the debt. Borrowing against the value of one’s artworks, she

adds, can also make sense as a bridging strategy to improve liquidity at a time when the market for the art is depressed.

My collection has been appraised and insured. Is there more I can do to preserve its value?

“You should have your collection reappraised at least every five years,” says

Ralph Lerner, a lawyer and art adviser in New York City. Art purchased years ago for low prices may now be worth quite a lot, and other pieces may have lost value over time—something that a collector never wants to discover *after* a catastrophic event.

Mr. Grant is a writer in Amherst, Mass. He can be reached at reports@wsj.com.



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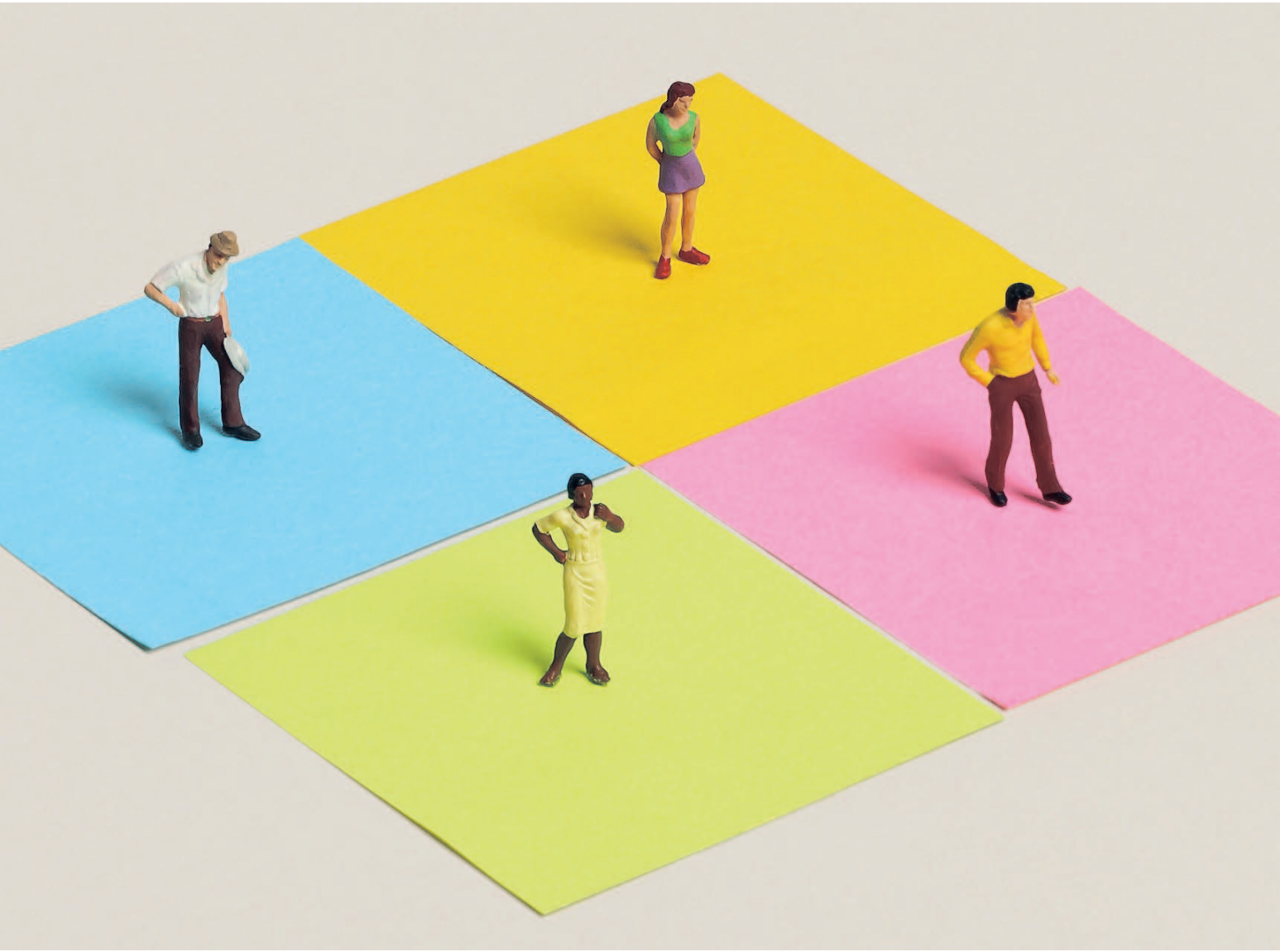
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JOURNAL REPORT | WEALTH MANAGEMENT



There are several strategies people can use to minimize the potential negative effects of these ambient emotions on financial decisions.

- 1

Engage in self-reflection.
Drs. Schwarz and Clore showed in their study that weather can impact ratings of overall life satisfaction, and that can affect decision-making. But they also demonstrated that the effect was eliminated if people were reminded that a dreary day can make us feel down. In other words, the weather stops affecting our mood once we realize that it can affect our mood. So before you make any major financial choices during the pandemic, identify the source of your mood.
- 2

Consider the alternatives.
For instance, if you're feeling scared, imagine what choices you would make if you were feeling a different emotion. Would they be different? This strategy can help ensure your financial decisions aren't being unduly swayed by a temporary ambient emotion.

3

Think twice.
One proven tactic for reducing bias is to reflect on the decision at different points in time. In much the same way people are often advised to wait a few days before, say, buying a new car, the goal is to give yourself time to cool off and reflect on the decision in a different emotional state.

4

Give some advice.
Imagine you were giving recommendations to someone in your position. What would you recommend they do? Or, imagine that you would need to justify your decision to someone else. If your recommendations differ from your planned course of action, reflect on why, and make sure the differences aren't due to your ambient emotions.

5

Conduct a premortem.
That is, imagine a negative financial outcome, such as running out of money in retirement. Then ask yourself if your current choices making such an outcome more likely?
In the midst of a global pandemic, there is no correct "ambient emotion" to feel. But this doesn't mean we can afford to neglect these subtle feelings.
Moods may be fleeting. Their consequences can last.
—Dr. Lerner, the Thornton F. Bradshaw professor of public policy, decision science and management at the Harvard Kennedy School, contributed to this article.

Dr. Benartzi (@shlomobenartzi), is a professor and co-head of the behavioral decision-making group at UCLA Anderson School of Management. Dr. Payne is the Joseph J. Ruvane Professor Emeritus at Duke University's Fuqua School of Business. They can be reached at reports@wsj.com.

Covid-19 May Be Affecting Your Financial Decisions

How to tell if your background feelings are having an unconscious impact

By Shlomo Benartzi
And John Payne

The coronavirus pandemic may be affecting your financial decision-making in all sorts of hidden ways (or in ways you aren't even aware of). The reason is what behavioral scientists call "ambient emotion" or background feelings. The impact of ambient emotions has gained attention this year, partly because events such as the Covid-19 pandemic have caused a dramatic shift in the underlying moods of millions of people. For some, these events have led predominantly to background feelings of fear, while others have experienced extended bouts of anger or sadness.

While ambient emotions are easy to ignore—like the effects of background music or the weather, we often aren't even aware of them—research by Norbert Schwarz of the University of Southern California and Gerald Clore of the University of Virginia, among others, has shown that even fleeting moods can influence decision making.

The impact of ambient emotions is especially relevant right now for older people, who are making decisions with long-term consequences in the middle of a pandemic. While younger Americans have time to correct their

financial mistakes, people who are retired or close to retirement often lack the runway for course corrections.

So how can people recognize the role ambient feelings play in decision-making and keep it from affecting their finances? Here is a guide:

The first step is to figure out which ambient emotions you've been feeling during the pandemic. To do that, rate the extent to which you are experiencing the following three emotions on a scale of 1 to 7—with 1 being "never" and 7 being "constantly or almost always."

- a. Fear
- b. Anger
- c. Sadness

The emotion to which you assigned the highest number is likely your primary ambient emotion during the pandemic, especially if you gave it a much higher score than the other choices.

Once you have identified your primary ambient emotion, you can take steps to avoid common, and costly, financial mistakes that are caused by these different feelings.

Take those who are experiencing fear, a common response to the pandemic. Research by Jennifer Lerner, a Harvard University professor, shows that people who are feeling

scared tend to become more risk averse, even in seemingly unrelated domains.

Older Americans who are feeling scared by current events could become less likely to delay claiming Social Security benefits. Given the uncertainty of the world, they might choose to get their payments as soon as possible. Unfortunately, this can significantly reduce the amount of money they receive each month for the rest of their lives. As research by the Boston College Center for Retirement Research shows, delaying benefits is equivalent to purchasing an inflation-adjusted annuity that pays out at 6.7% annually.

Those who are experiencing ambient anger should watch out for the opposite effect—research shows that they are likely to become risk-seeking, an effect especially strong among men. For retirees, this could mean drawing down assets too quickly, or potentially selecting a portfolio with excessive risk.

Sadness tends to make people more pessimistic and impatient. Given that many financial decisions for retirees involve managing the trade-offs between immediate rewards and long-term benefits, such impatience could prove problematic. For instance, they might be less willing to pay now for long-term care insurance, increasing the risk they could run out of money later.

Scientists generally classify sadness as an "avoidant" emotion. When we're sad, we're more likely to procrastinate on things such as drafting a will or estate plan. More generally, we may avoid difficult decisions as we approach retirement.

The Game Plan

A Couple Wants to Be Secure in Retirement, While Also Helping Their Sons

By Chris Kornelis

As James and Katherine Rogers hit their 60s, they want to be sure that they are set up for retirement—and can continue to help out their two sons.

Like many parents, the Rogers, who live in the metro Atlanta area, want to be there for their children in the future, whatever happens. One son has already started on a professional career, the other is working on a Ph.D.

Mr. Rogers works at a bank, financing construction equipment. Ms. Rogers works in education. They make about \$200,000 a year combined and save 10% of their salaries in 401(k) and IRA accounts. They have about \$500,000 saved for retirement and \$300,000 in equity in their home, which they estimate is worth about \$550,000. They recently refinanced to a 15-year mortgage. They also have \$25,000 in cash and \$70,000 worth of cars.

The Rogers make monthly mortgage payments of \$2,700. For the next year and a half, they'll also be paying \$500 a month for a 2018 Ford F-150 they bought for their younger son. Other monthly expenses include \$700 for groceries, \$750 for utilities, \$500 for insurance and maintenance on their cars, and \$800 to \$1,000 supporting their son in school.



James Rogers says his nest egg includes a car collection worth \$70,000.

Mr. Rogers says he and his wife would like to retire around age 65 or 67, and to then have \$5,000 to \$6,000 of disposable income each month into their 80s.

Mr. Rogers recently switched jobs and took a \$90,000 pay cut. The new pay, he says, is acceptable, but he worries that if his employment status changes, it won't be as easy to find a new job in his 60s.

"Most of my life, I've been extremely fortunate that when my existing job is a

problem, I've never *not* gotten a job within a day or two of deciding that I wanted to go get a job," he says. "I don't know how much longer I can do that."

Advice from a pro: Gerald Loftin, a principal and certified financial planner at Proficient Wealth Counselors in Norwood, Mass., says the Rogers are in good shape and on track to achieve their goals. With just a few steps, they should be able to

retire when they want to, and be able to financially assist their sons when things come up.

Mr. Loftin believes that the couple has the disposable income to be able to put more away for retirement. Relatively speaking, they aren't carrying lots of fixed debt, which will allow them to save more aggressively than many people, Mr. Loftin says. Maximizing their retirement contributions also will help if Mr. Rogers needs a new job and has trouble finding one.

Mr. Loftin recommends beefing up their cash reserves to at least \$50,000. Money currently going to their Ph.D. student and the car payment should help them achieve that within a few years, he says.

For extra security, Mr. Loftin says Mr. and Mrs. Rogers each should have at least \$250,000 in term life insurance—to at least cover what's left on their mortgage—and ideally as much as \$500,000 each.

The planner also urges the Rogers to devise a solid estate plan in consultation with an estate attorney, and to explore setting up a trust that would further protect their assets and their ability to pass them on to their sons. Trusts can help in terms of protection against creditors or in case of a divorce, he says.

Mr. Kornelis is a writer in Seattle. He can be reached at reports@wsj.com.

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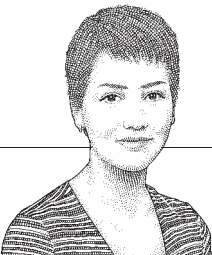
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JOURNAL REPORT | WEALTH MANAGEMENT



Young Money • Francesca Fontana



Love and Marriage— and Health Insurance

Young adults are often in bad financial health. Getting married in part so that a spouse has insurance can help a lot

You could call my marriage untraditional—at least the way it started. I was newly 25, and my 30-year-old boyfriend, Ryan Brady, was finishing his morning coffee when I told him I loved him, and I wanted to spend my life with him. And I wanted him to have my health insurance. This was last December. There had been no plans, no rings or photographers. I did get down on one knee, but only so I could meet his eye; our two cats took up the neighboring armchair. Just before my spur-of-the-moment proposal, Ryan had been spreading bills, invoices and tax documents across our New York City apartment living room, calculating how much his health care would cost in the coming year. Ryan is a painter and sculptor and spent much of the past decade working as a studio assistant for a renowned artist. Since the beginning of our relationship, the lion's share of his income had gone to his monthly health-insurance premiums, weekly specialist appointments and expensive medication for an autoimmune disease. If an

emergency had struck, it would have set him back thousands of dollars and taken years to recoup. After crunching the numbers that morning, Ryan called out his calculations. His premium was going up to nearly \$500 a month in 2020. That, plus about \$200 for medication and more than \$300 in specialist visits, meant he'd be

We have more freedom to make plans for our future, knowing my husband won't fall into debt simply by paying for his health insurance.

spending more than \$1,000 a month on health care. "I'll be bleeding money," he said, passing a hand over his face. I recognized his dread. I had gone without health insurance while unemployed back in 2017. After paying my way through college with scholarships and numerous jobs, I was elated to graduate without debt. I thought I had won.

I had beaten the odds and cleared my path to financial security. I was wrong. After a bout of strep that fall, my throat remained sore and swollen. A doctor at a Brooklyn clinic told me I had developed an abscess in my throat. I left with antibiotics and a bill for \$200. Days later, I woke up unable to breathe. My mother, over the phone, urged me to go to the emergency room. My voice was garbled, barely intelligible as I argued that it wasn't worth the money. Desperation eventually forced my hand, but I insisted on ordering an Uber to avoid the ambulance fees. That hospital visit cost me thousands of dollars that I couldn't afford to pay. I put it on a credit card and started paying it off once I landed a job the following year. Within a year, I was in the emergency room again. The bill came, and I started all over again. It's no secret that my generation faces rough terrain when it comes to our financial futures. Between burgeoning student debt, rising housing costs and stagnant wages, younger Americans are in worse financial shape than the generations that came before us. Rising health-care costs put another wrench in the works, making it more likely we will accrue medi-

cal debt or sacrifice our savings goals to pay for doctor visits. A Federal Reserve survey found that in 2019, 18% of adults had unpaid debt from their own medical care or from medical care for a family member, and 25% of adults skipped medical care because they were unable to afford the cost. The growth of health-care costs in recent years has outpaced wage growth, and the growth of prices in the general economy. The non-profit Kaiser Family Foundation found that on average, health spending by families with large-employer health plans has risen two times faster than workers' wages over the past decade. More costs have been pushed onto employees in the form of deductibles, which can be impossible for some to afford, says Cynthia Cox, a vice president at the foundation. "For people who live paycheck to paycheck, it's a huge amount of money to pay up front," Ms. Cox says. "If they had an emergency, a lot of

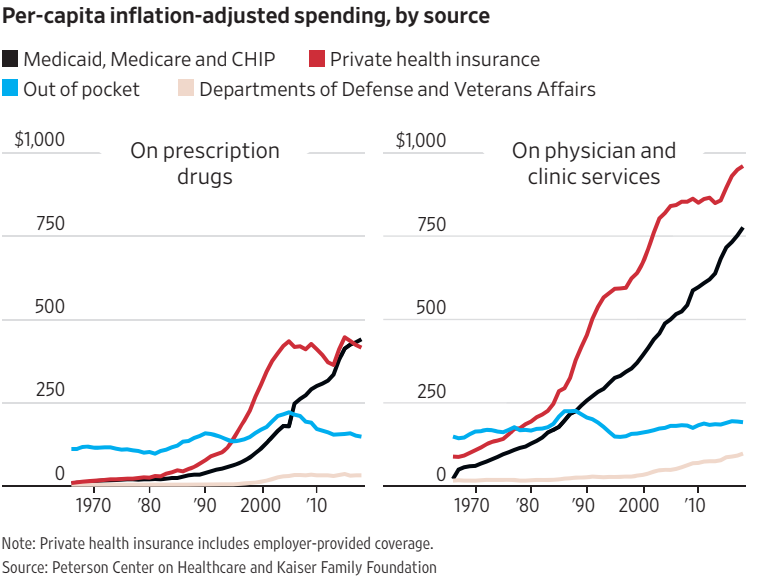
husband, Ted Baker, for about two years when Mr. Baker got a job offer from BMW that came with great health insurance and would move the couple to Greenville, S.C. After he got the job, Mr. Baker casually popped the question over burgers, and they eloped. "It wasn't getting married for the insurance," she says. "It was us trying to figure out how to build a life together and how to make good financial choices." The couple just celebrated their ninth wedding anniversary. They now live in the Washington, D.C. area and have two children. Looking back, Ms. Baker says she and her husband are proud of their decisions, calling it "a classic millennial love story." As for myself, Ryan accepted my proposal and we eloped on Christmas Eve. We got married at a courthouse in Portland, Ore., while on a trip to visit my family. We both wrote some vows, and I wore white, though it was a jumpsuit, not a dress. Our finances have changed for the better now that we're married. Ryan's monthly premium now is about 80% less than he would have paid for his own plan, and many of his specialist visits are completely covered. He has been able to contribute more to his savings, and is considering graduate school. We have more freedom to plan for our future, knowing he won't fall into debt simply by paying for his health insurance. Some might think of my proposal as untraditional, but I'm not sure I'd agree. After all, marriage has always been an economic arrangement, as Amy March reminds us in the latest film adaptation of "Little Women."

It's impossible to disentangle the institution from its historical roots as a means for men to create alliances and control property and wealth. But nowadays, Americans marry for love, and to form a partnership of two equals. Marriage is a test of that partnership, as two people work as a team to build a fulfilling life for themselves and each other. I couldn't think of a better way to start off our union, by ensuring that my partner can take care of himself, in sickness and in health.

Ms. Fontana is a reporter for The Wall Street Journal in New York. Email: francesca.fontana@wsj.com

In Sickness and in Health

Much of the health-care spending in the U.S. comes via private insurance and Medicare and Medicaid.



What Do Political and Charitable Donations Have in Common? A Lot.

Researchers find that the two kinds of donations often act like substitutes

By LISA WARD

Why do people donate money to political campaigns? This question has vexed many scholars, especially because donations are often small and unlikely to affect the outcome of a race or curry influence with politicians. A working paper from the National Bureau of Economic Research has a possible answer: The paper's findings suggest that the main motivation for political giving is the same as it is for charitable giving—the donor is driven by his or her desire for the positive feeling that comes from

doing something good. The researchers noticed that the two kinds of giving often act like substitutes. When someone gives more to a political campaign, in other words, they are likely to give less to charity. The converse was also found to be true. "Political contributions and charitable giving may satisfy the same psychological needs," says Pinar Yildirim, assistant professor at the University of Pennsylvania's Wharton business school and co-author of the study. To test whether charitable and political giving are interchangeable, the paper looked at contributions to the American Red Cross after a foreign natural disaster. The authors chose to focus on foreign catastrophes because they generate a lot of press coverage, which encourages people to donate, and, unlike domestic natural disasters,

have little effect on Americans' financial ability to donate. The authors found that within six weeks of a foreign disaster, the American Red Cross tends to receive about a 27% increase in the amount of donations. After looking at data from the Federal Election Commission, the authors also found that in the same six-week period after a natural disaster, political donations decline by about 3.75%. "That may seem small, but it's statistically significant and could translate into a big loss over a campaign period for politicians, equating to about \$562 million in political contributions," says Dr. Yildirim. The authors also tested whether upticks in political giving reduced charitable giving. They looked at political ads on TV, which encourage people to give to

certain candidates. Television viewers often see different advertisements, depending on their market. The authors found that viewers in counties that saw more

'Political contributions and charitable giving may satisfy the same psychological needs.'

political ads increased their political giving by about 9.2% relative to an adjoining county that saw fewer political ads, and decreased charitable giving by about 0.7%. While the second number is small,

it does illustrate that there is a relationship between the two, the authors say. The authors looked to see if other explanations, like household budget constraints, could explain their results. But more charitable or political giving had no effect on spending on groceries, retail items or even lottery tickets. "Past economic research has found that people tend to make mental buckets for groceries and other expenditures. It seems that charitable and political giving are often put in the same bucket," says Dr. Yildirim. It remains unclear how the substitution effect is likely to play out this fall as the U.S. faces a pandemic and an intense election season, says Dr. Yildirim.

Ms. Ward is a writer in Winhall, Vt. Email her at reports@wsj.com.

Utility Stocks Could Become a Little Less Boring

Blame it on a growing focus on renewable energy. The election for president also could have an impact.

By TIM MULLANEY

If investors had to sum up utility stocks in a word, many would probably say “predictable.” Known for having above-average dividends and stable earnings in all kinds of markets, these investments tend to attract investors seeking to play defense rather than pursue growth.

But some money managers say the sector could become less predictable in coming years, maybe even a little exciting. The global focus on climate change is shaking up the industry, they say, and the U.S. presidential election could shake it up even more.

So far this year, utility stocks have lagged behind the broader market, hurt by a sharp drop in electricity demand in the first half of 2020 amid the coronavirus lockdowns. While the S&P 500 has returned around 8.25% year to date, the utility stocks in the index have fallen almost 1%. The S&P utilities sector had risen 33.7% from year end 2018 to the 2020 high set on Feb. 18.

Some investors say utility shares are still too expensive, but others say the industry is in the midst of a transition that could give utility shares a boost.

Utilities, they say, are pouring billions of dollars into new plants to generate electricity from renewable sources such as wind and sunlight—and preparing for new demand as the nation’s auto and truck fleets shift from running on petroleum products to clean electricity. The move toward renewable power could accelerate if Joe Biden wins the U.S. presidential election



▲ Ohio-based utility American Electric Power has pledged an 80% reduction in carbon emissions by 2050.

in November, analysts say, as the Democratic nominee has proposed extending tax credits to promote the adoption of green technologies.

The result, some of the sector’s fans say, is that savings on fuel could enable utilities to boost profits and remain solid dividend payers, even as consumers are spared major increases in electric bills.

“Investors have to think about utilities differently,” says Rob Thummel, senior portfolio manager at Tortoise Capital, which runs a series of energy portfolios, including the \$9.1 million mutual fund Tortoise Energy Evolution Fund (TOPTX). “There’s more potential for growth than there has been.”

U.S. utilities are on course to build 100,000 megawatts of new wind and solar-powered electricity plants over the next 15 years, enough to replace almost 10% of all of the power produced today, according to S&P Global Market Intelligence.

The expanding roster of power companies vowing to reduce carbon emissions includes Minneapolis-based Xcel Energy, a leader in building wind power plants. Xcel has promised to cut carbon emissions 80% by 2030 and to be carbon-free by 2050. American Electric Power, the Columbus, Ohio-based utility that delivers power to customers in 11 states, has pledged an 80% reduction by 2050, and Edison International, the parent of Southern California Edison, vows to do the same by 2030.

The industry’s biggest challenge will be boosting growth, even if going green helps profit margins.

The shift to renewable power in the U.S. would likely speed up if Mr. Biden wins, analysts say. He has pledged to rejoin the Paris Climate Accord as part of a broader \$1.7 trillion plan to combat climate change and promised to make electricity carbon-neutral by 2035.

“We have an underweight recommendation on the sector based on fundamental forecasts and price momentum, but that could change with a Biden-Harris victory,” says CFRA Research investment strategist Sam Stovall.

Others, however, believe utility stocks are still too expensive. Who is right depends on which metric you look at, says Morningstar utility analyst Travis Miller.

On a price-to-earnings basis, they are expensive. The S&P utility sector was recently trading at about 19 times this year’s earnings and 18 times 2021 estimates, compared with 25 times and 20 times for the S&P 500.

But utilities traditionally trade at a discount because of their lower growth rate, which for many investors is offset by their relatively high dividends. Top dividend-

paying utilities like Duke Energy, for example, may offer yields above 4%.

If you compare dividend yields in the utility sector to interest rates on investments like bonds, they are historically cheap, Mr. Miller says.

“The returns are good, slow and steady,” says Paige Meyer, utilities analyst at CFRA Research in Washington. “That’s why Warren Buffett likes utilities.”

The industry’s biggest challenge will be boosting growth, even if going green helps profit margins, says Ethan Zindler, head of Americas research at Bloomberg NEF. Along with switching to renewable power, the big push on climate has been to make buildings and manufacturing more energy-efficient—which has pushed electricity usage in the U.S. below 2008 levels, with a sharp drop expected as figures come in for 2020, thanks to the lockdowns, he says.

“The demand numbers haven’t fluctuated that much, but more stuff gets built because it is getting cheaper,” Mr. Zindler says. “If I had to pick a threat to utilities, it’s not overinvestment, it’s that demand for the product is not growing.”

It all comes down to whether investors, who were used to holding utilities as a no-fuss investment, will be willing to stick with them as they continue to go through wrenching change. And whether utilities, which have been adding renewables rapidly for a decade, can continue to offset the capital costs of new plants with fuel savings, which so far has led to electricity prices for most rate payers declining in inflation-adjusted dollars, according to Labor Department data.

“This transition should translate into earnings and dividend growth,” Mr. Miller says. “The key is to get customers on board with any one-time costs that may spring up.”

Mr. Mullaney is a writer in Maplewood, N.J. He can be reached at reports@wsj.com.

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Thermo Fisher	TMO	4.41%
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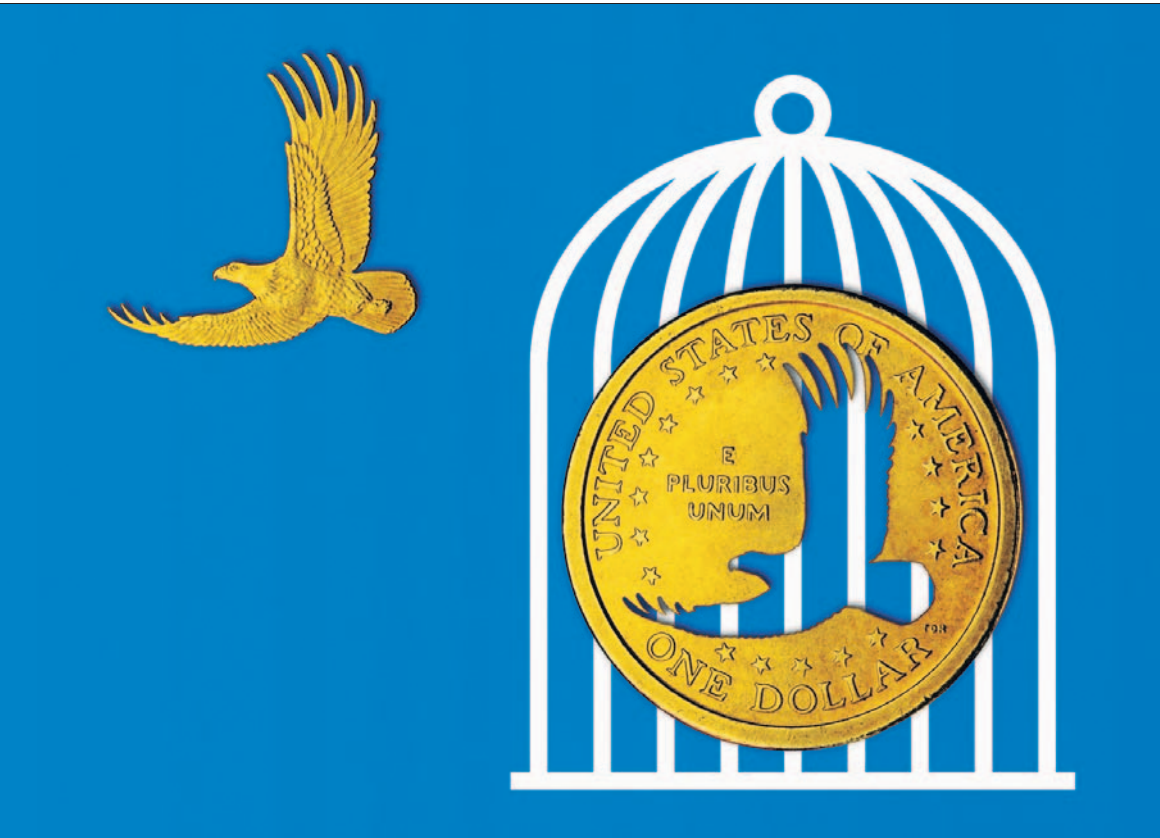
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Taxes • Tom Herman



There’s Still Time to Make These Tax Moves

These easily overlooked tactics are worth considering before the end of the year

Before saying goodbye and good riddance to 2020, many of us may benefit from a few tax-smart moves that are easy to overlook.

Among these are several changes enacted earlier this year as part of a record economic relief package in reaction to the coronavirus pandemic. Others are long-cherished techniques, such as donating to charity directly from your individual retirement account.

“There’s still a lot of tax planning that can be done in the last few months of the year,” says Mark Luscombe, principal federal tax analyst at Wolters Kluwer Tax & Accounting.

Depending on the presidential and

congressional election results, there may be other maneuvers to consider, but that’s a story for another day when a clearer political picture emerges. Meanwhile, here are a few ideas that tax pros say are worth considering before 2021 arrives:

Charitable-giving deduction: Part of the Coronavirus Aid, Relief, and Economic Security Act carved out a new deduction of as much as \$300 for donors who choose the standard deduction for the 2020 tax year. This is available only if you take the standard deduction, instead of itemizing. “Many taxpayers can potentially benefit from the new provision,” says Jackie Perlman, principal tax research analyst for the Tax Institute at H&R Block Inc.

Moreover, this deduction will appear on tax returns for 2020 above the line for calculating adjusted gross income, or AGI. That’s important since your adjusted gross income can affect many other tax items, such as how much of your Social Security benefits may be subject to tax.

Watch out for important exceptions. This new break applies to “cash” donations (such as cash, check and credit cards). Gifts of “noncash” items, such as securities or clothing, don’t qualify for this provision, says Ms. Perlman. Also, donations must be made to “qualified” charities. Gifts to donor-advised funds don’t count for this break. (These funds have surged in popularity as a way to make dona-

tions and nail down deductions for the current tax year even though you can wait until future years to dole out the gifts.) Carry-over contributions from prior years don’t count either.

Because of vague statutory wording, there has been confusion about whether the \$300 limit applies to each return or each person. However, according to a footnote in a publication (JCX-12R-20) by the staff of Congress’s Joint Committee on Taxation, that limit “applies to the tax-filing unit,” not to each person. “Thus, for example, married taxpayers who file a joint return and do not elect to itemize deductions are allowed to deduct up to a total of \$300 in qualified charitable contributions on the joint return.” The publication says this “above-the-line” deduction is scheduled to expire at the end of this year.

Charitable groups have urged lawmakers to do more, and legislation has been proposed to increase the amount. The \$300 is “a critically important first step in recognition of the need but insufficient for the size of the financial crisis nonprofits face,” says Jeff Moore, chief strategy officer at Independent Sector, a national organization representing nonprofits, foundations and corporate-giving programs. “More clearly needs to be done.”

Be sure to get proper receipts for donations. For more details, see IRS Publication 526.

Suspension of charitable-deduction limits: This temporary suspension could affect donors who itemize deductions and want to contribute a larger share of their income this year than was allowed previously. As the IRS website explains, the total amount you could deduct for 2019 generally was limited to “no more than 60%” of adjusted gross income, although that percentage could be further limited to 50%, 30% or 20%, depending on “the type of property you give and the type of organization you give it to.” For 2020, the adjusted-gross-income limit generally “has been eliminated for cash donations” by individuals, says Mr. Luscombe.

RMD changes: The Cares Act waived required minimum distributions during 2020 for IRAs and most other retirement plans. That includes for beneficiaries with inherited accounts, the IRS says. More details on this and other changes can be found in publication JCX-12R-20 on the Joint Committee on Taxation website.

IRA charitable transfers: Here is an old technique that many older investors have used. Once you are 70½ or older, you typically are eligible to transfer as much as \$100,000 a year from an IRA directly to qualified charities and have this “qualified charitable distribution” be considered nontaxable. This also counts toward your required minimum distribution for the year (although it isn’t tax-deductible as a charitable contribution). Just be sure to make the transfer *directly* to the charity, says Mr. Luscombe of Wolters Kluwer.

Educator expenses: Many teachers and certain other educators shouldn’t overlook a longstanding deduction of as much as \$250 a year for “unreimbursed trade or business expenses,” as the IRS puts it. For a married couple filing jointly, the maximum is \$500 if both spouses are eligible educators, “but not more than \$250 each,” the IRS says.

This deduction applies to amounts paid or incurred for “participation in professional development courses, books, supplies, computer equipment (including related software and services), other equipment, and supplementary materials that you use in the classroom.” You’re eligible “if, for the tax year you’re a kindergarten through grade 12 teacher, instructor, counselor, principal or aide for at least 900 hours a school year in a school that provides elementary or secondary education as determined under state law.” This is another “above-the-line” deduction that affects the AGI calculation.

Mr. Herman is a writer in New York. He was formerly The Wall Street Journal’s Tax Report columnist. Send comments and tax questions to taxquestions@wsj.com.



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